

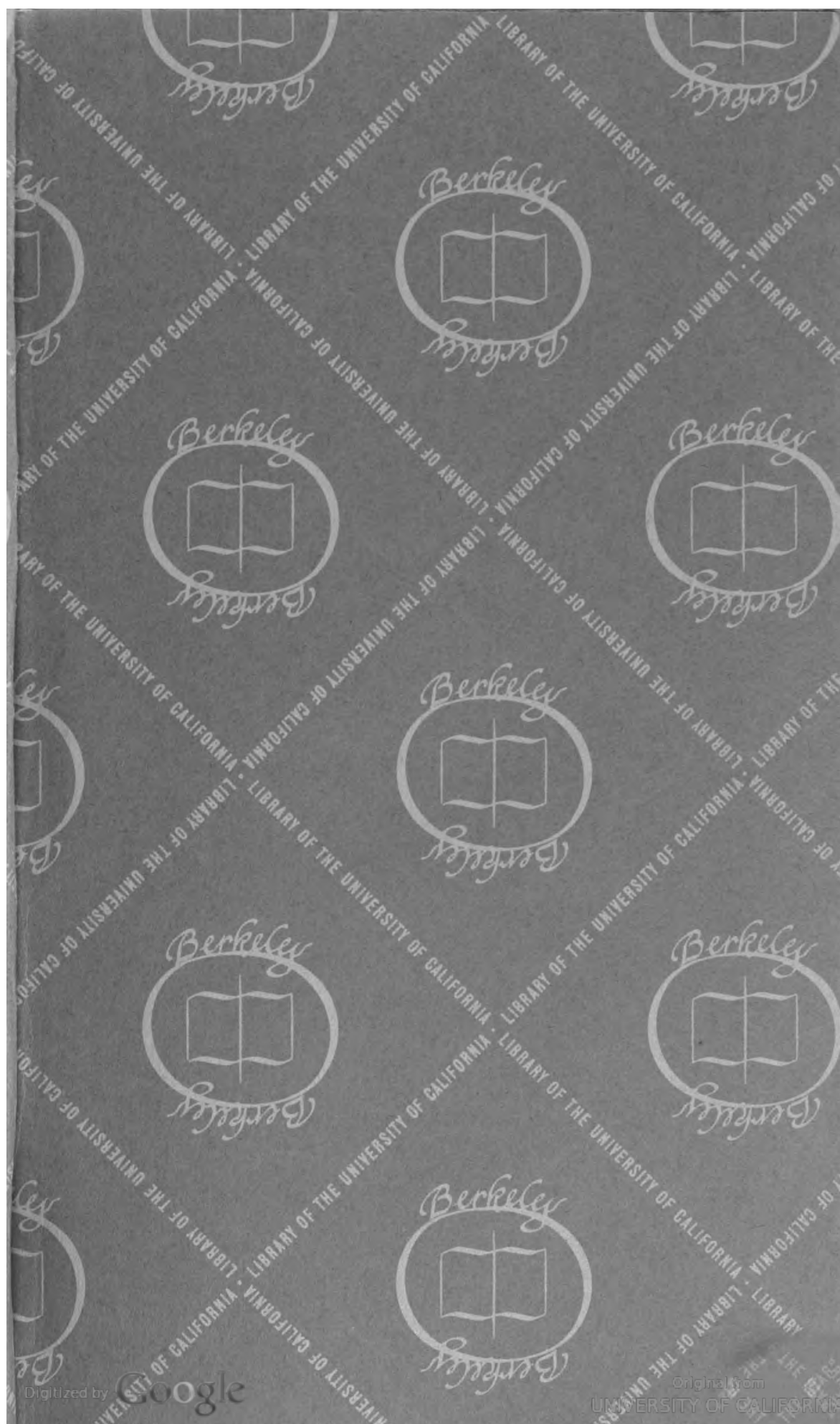
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SUBCONTRACTOR'S MONOGRAPH

HRAF-39 Wash-1

MONGOLIAN PEOPLE'S REPUBLIC

(Outer Mongolia)

Vol. III



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PREFACE

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ANTHROP.

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SUBCONTRACTOR'S MONOGRAPH
ON THE
MONGOLIAN PEOPLE'S REPUBLIC
(OUTER MONGOLIA)

Prepared by

The Far Eastern and Russian Institute

University of Washington

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Associate Director: Robert A. Rupen

Consultants:

Nicholas N. Poppe

Franklyn D. Holzman

Father Antoine Mostaert, C. I. C. M.

INTRODUCTION

1. This Handbook was prepared under Contract HRAF-10 Wash-1 by the Far Eastern and Russian Institute of the University of Washington. Professor William B. Ballis directed its preparation, and Dr. Robert A. Rupen served as Associate Director. Professor Nicholas N. Poppe, one of the world's leading Mongolists, served as a principal consultant. His advice and information proved invaluable. Professor Franklyn D. Holzman was another important consultant. He fruitfully applied his expert knowledge of the economy of the Soviet Union and of economics generally to that aspect of Mongolia. Father Antoine Mostaert served as the third consultant, and provided rich material from his unique personal experience in Mongolia. Other Project participants included James Hirabayashi, Noburu Hiraga, Reynold S. Koppel, John R. Krueger, G. G. S. Murphy, and Dale Plank. Howard Albano, David Farquhar, and Martin Kilcoyne worked for a short time on specific problems. Professor John Sherman of the Department of Geography, University of Washington, cooperated generously in the preparation of charts and maps. Gloria Marple and Gloria Ernesti contributed greatly to the secretarial and administrative effectiveness of the Project.

Robert J. Miller also aided in the preparation of this Handbook through his work on Inner Mongolia, and it is suggested that the Inner Mongolia Handbook be consulted and used in con-

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junction with this one, since the two major Mongolian areas share many characteristics. By supplying information through correspondence or commentary on draft sections of the Handbook, the following persons gave valuable assistance, although they of course are in no way responsible for conclusions of this study: Fred Adelman, Angelo Anastasio, Richard K. Beardsley, Frank Bessac, Francis Woodman Cleaves, Tomio Goto, Walther Heissig, Paul V. Hyer, Yukio Kasuga, Lawrence Krader, Koretada Sakamoto, Isono Seiichi, Georg Söderbom, and Herbert H. Vreeland.

While the Table of Contents indicates primary authorship of specific subparagraphs, this has been a group project.

2. The Contract required the "Annex A" format and this has governed our presentation.

3. Source material for contemporary conditions in the Mongolian People's Republic is of course very sketchy and unsatisfactory, and comprises mainly Soviet publications which include a great deal of misleading if not false information. Information from Japanese who were prisoners-of-war in Ulan Bator after 1945 has provided some check on Russian claims, but these prisoners were confined to Ulan Bator and of course had little freedom of movement. Therefore a general skepticism and caution about the description of recent conditions is enjoined. Of the participants in the preparation of this Handbook, only Professor Poppe has actually been in Outer Mongolia, and

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he was last there more than 25 years ago.

4. The contributors would like to point out that the time limitation imposed by the contract has necessitated the completion of the Handbook in its present form, which is not ideal from the standpoint either of format or of content. It is hoped that the material developed here, however, will be of benefit to the scholarly community. The assistance of the Human Relations Area Files, Inc., is gratefully acknowledged.

William B. Ballis
Robert A. Rupen
March 1956

[NOTE: The Bibliography at the end of each major section of the Handbook (Sociological, pp. 438-461; Political, pp. 663-674; Economic, pp. 999-1016) includes full citations of all items cited briefly within the preceding text.]

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C. CONSTITUTION (FUNDAMENTAL LAW) OF THE MONGOLIAN PEOPLE'S REPUBLIC

June 30, 1940 with changes of 1949 and 1952

Chapter I

SOCIAL ORGANIZATION

Article I

The Mongolian People's Republic is an independent state of workers (arat livestock raisers, workers, and intelligentsia), who have annihilated the imperialistic and feudal yoke, ensuring a non-capitalistic approach to the development of the country for the transition to socialism in the future.

Article 2

The khurals of arat workers, which came into being as a result of the overthrow of the feudal order and the seizure of political power by the people, the abolition of privilege and arbitrary law, the political and economic subjugation and exploitation, which were inflicted upon the broad masses of the arats by the feudal overlords (khans, wangs, gungs, taijis, khutukhtus, and khubilgans)- constitute the political foundation of the Mongolian People's Republic.

Article 3

In the Mongolian People's Republic all power

- Pol 1 -

belongs to the urban and rural workers as represented by the workers' khurals.

Article 4

The development of the Mongolian People's Republic along noncapitalistic lines and the transition in the future to socialism are guaranteed by the achievement, in accordance with the state plan, of reforms in the economic, cultural, and social life of the Mongolian People's Republic, that is: by assistance on the part of the state, in every way possible, toward the development and improvement of the arat labor economy, by assistance on the part of the state to the voluntary and collective organizations of arat workers, by the development of a network of stations for mowing machines drawn by horses, by the development in the country of cattle raising, industry, transport and communications.

The development of the national economy of the Mongolian People's Republic is being carried out with the aim of increasing the public wealth, of steadily improving the material welfare and the cultural level of the working people, of consolidating national independence and the defensive capacity of the country.

Article 5

All the land and its natural resources, the forests, the waters, and all the wealth contained

therein, the factories, mills, mines, gold production, the railroad, automobile, water and air transport, means of communication, banks, mowing machine stations, and state enterprises are state property, that is, they belong to the people as a whole.

Private ownership of the above is forbidden.

Article 6

The right of citizens to private ownership of livestock, agricultural implements and other tools of production, raw material, manufactured products, dwelling houses and outbuildings, yurts and household articles, incomes and savings, as well as the right of inheritance of private property, is protected by law.

Article 7

Public enterprises in the cooperative organizations and the arat associations, together with their equipment and stock, their manufactured products, as well as their voluntarily socialized property, cattle, agricultural implements, and public buildings, constitute public ownership of these cooperative organizations and arat associations.

Article 8

The land, being state property, that is, the common property of the people, is given free of charge to citizens as well as to voluntary associa-

tions of workers for use as pastures and agricultural tracts.

Article 9

Honest and conscientious labor is the basis of the development of the people's economy, of the consolidation of the defensive capacity, and of the further growth of the well-being of the workers of the Mongolian People's Republic, and is the honorable duty of every able-bodied citizen.

Chapter II

THE ORGANIZATION OF THE STATE

The jurisdiction of the Mongolian People's Republic, as represented by its highest organs of authority and organs of government, extends to:

(a) Representation of the Mongolian People's Republic in international relations; the conclusion and ratification of treaties with other states.

(b) General control over the domestic policy of the Mongolian People's Republic and the development of its economic and cultural life.

(c) The organization of defense, control over the armed forces, and the assurance of the independence of the Mongolian People's Republic.

(d) The fixing and alteration of state boundaries.

(d) Questions of war and peace.

(f) Control over the observance of the Constitution.

(g) Establishment of the administrative divisions of the Republic.

(h) The guarantee of the political, economic, and cultural development of the people who inhabit the Mongolian People's Republic, in accordance with their national peculiarities.

(i) Foreign trade on the basis of a state monopoly, and control over the system of domestic trade.

(j) Maintenance of the security of the state, of order, and the rights of citizens.

(k) Approval of the national economic plan.

(l) Control over the monetary and credit system, approval of the state budget, and the establishment of taxes, levies, and revenues.

(m) Administration of state banks, industries, agricultural and trade enterprises, and institutions.

(n) Organization of the state, as well as of social insurance.

(o) Conclusion and approval of foreign loans and the issue of domestic loans.

(p) Control of transport and the organs of communications.

(q) Organization of the protection and exploitation of the natural resources of the country and the establishment of regulations for the use of the land, pastures, forests, waters, and the wealth contained therein.

(r) Organization and administration of the development of livestock raising and agriculture.

(s) Establishment of a system of weights and measures.

(t) Organization of the state inventory, ac -

counts, and statistics.

(u) Administration of dwelling houses and communal economy, of construction and public utilities in the cities and of road construction in the country.

(v) Administration of national education and culture, public health, scientific, and physical culture organizations.

(w) Organization of court organs and of the organs of the Procurators.

(x) Award of orders, certificates of merit, and the conferring of honorable titles of the Mongolian People's Republic.

(y) Legislation concerning citizenship in the Mongolian People's Republic.

(z) Issuance of regulations concerning amnesty and pardon.

Article 11

The Mongolian People's Republic consists of the aimaks: Central, Khentei, Choibalsan, Eastern Gobi, Southern Gobi, Southern Khangai, Northern Khangai, Dzabkhan, Kobdo, Khubsugul, Bulgan, Selenga, Ubsa Nur, Gobi Altai, Baian-Ulegei, Sukhe Bator, Central Gobi, Baian Khongor and the city of Ulan Bator.

Article 12

The aimaks are divided for administrative purposes into somons. The somons, in their turn, are divided into bags. The city of Ulan Bator is divided into khorons, and the khorons into khorins.

Chapter III

THE GREAT PEOPLE'S KHURAL

Article 13

The highest organ of state authority of the Mongolian People's Republic is the Great People's Khural.

Article 14

The Great People's Khural is elected by the citizens of the Mongolian People's Republic according to electoral districts and on the basis of one deputy for every 2, 500 of the population.

Article 15

The Great People's Khural is elected for a term of three years.

Article 16

The elections for the new Great People's Khural should be set by the Presidium of the Great People's Khural of the Mongolian People's Republic for a date not more than two months before the expiration of the term of the Great People's Khural of the Mongolian People's Republic.

Article 17

The newly elected Great People's Khural is

to be convened by the Presidium of the former Great People's Khural not later than two months after the elections.

Article 18

The regular sessions of the Great People's Khural occur once a year.

Irregular sessions of the Great People's Khural may be called on initiative of the Presidium of the Great People's Khural as well as the demand of not less than one third of the deputies.

Article 19

The Great People's Khural selects a president of the Great People's Khural and two vice-presidents. The president directs the sessions of the Great People's Khural and is in charge of its internal routine.

Article 20

The Great People's Khural elects a mandate commission to verify the powers of the deputies of the Great People's Khural of the Mongolian People's Republic.

Article 21

The Great People's Khural selects a Presidium of the Great People's Khural consisting of a President of the Presidium of the Great People's Khural, one vice-president, a secretary

and four members.

Article 22

The legislative power of the Mongolian People's Republic resides exclusively in the Great People's Khural.

Article 23

The Great People's Khural of the Mongolian People's Republic fulfills all rights belonging to the Mongolian People's Republic according to Article 10 of the present Constitution which do not come under the authority of the Constitution or in the competence of organs of state authority and administration which are accountable to the Great People's Khural. Specifically, the authority of the Great People's Khural extends to:

(a) Ratification and amendment of the Constitution (Fundamental Law) of the Mongolian People's Republic.

(b) Establishment of basic principles and measures in the field of foreign and domestic politics;

(c) Elections to the Presidium of the Great People's Khural;

(d) Formation of a Soviet of Ministers, and the confirmation of newly formed, or the reorganization of, existing ministries and central organs of state administration;

(e) Confirmation of decrees made by the Presidium of the Great People's Khural in the period between sessions of the Great People's Khural and which are subject to confirmation by the

Great People's Khural;

(f) Issuance of acts of amnesty;

(g) Examination and confirmation of the national economic plan of the Republic;

(h) Approval of the state budget and accounts of its fulfillment.

Article 24

A law is considered ratified if it is accepted by a simple majority of the Great People's Khural of the Mongolian People's Republic.

Article 25

Laws passed by the Great People's Khural of the Mongolian People's Republic are published over the signatures of the president and secretary of the Presidium of the Great People's Khural of the Mongolian People's Republic.

Article 26

The Great People's Khural of the Mongolian People's Republic appoints, whenever it considers necessary, investigative and inspection committees to deal with any problem.

All establishments and officials are obligated to fulfill the requirements of these committees and to place at their disposal all necessary materials and documents.

Article 27

Inquiries of deputies of the Great People's

Khural relating to officials should be followed by answers after not later than fifteen days and by answers required in an investigation, after not more than one month.

Chapter IV

THE PRESIDIUM OF THE GREAT PEOPLE'S KHURAL

Article 28

During the intervals between sessions of the Great People's Khural, the Presidium of the Great People's Khural is the highest organ of state authority.

Article 29

The Presidium of the Great People's Khural:

- (a) Exercises control over putting the Constitution and laws of the Mongolian People's Republic into effect;
- (b) Determines the time of elections to the Great People's Khural;
- (c) Convenes sessions of the Great People's Khural;
- (d) Interprets existing laws and issues decrees, subject to subsequent confirmation when necessary by the Great People's Khural;
- (e) Conducts national referenda;
- (f) Abrogates resolutions and orders of the Council of Ministers of the Mongolian People's Republic and of local khurals of workers' deputies

when they are not in conformity with the law;

(g) Relieves ministers of their duties and appoints them upon the representation of the Prime-Minister and with the subsequent confirmation of the Great People's Khural.

(h) Exercises the right of pardon;

(i) Establishes the orders and medals of the Mongolian People's Republic and determines titles of honor as well as military and other titles of the Mongolian People's Republic;

(j) Awards orders and medals of the Mongolian People's Republic upon the representation of the Council of Ministers of the Mongolian People's Republic;

(k) Receives the credentials and letters of recall of accredited diplomatic representatives of foreign states.

(l) Appoints and recalls plenipotentiary representatives of the Mongolian People's Republic in foreign states;

(m) Ratifies treaties and agreements with other states;

(n) In the interval between sessions of the Great People's Khural proclaims a state of war, in the event of an armed attack on the Mongolian People's Republic, and likewise whenever necessary to fulfill international treaty obligations concerning mutual defense against aggression;

(o) Orders general or partial mobilization;

(p) Exercises control over admission to citizenship in the Mongolian People's Republic.

Article 30

On the expiration of the term of office of the Great People's Khural of the Mongolian People's Republic, the Presidium of the Great People's Khural will retain its authority up to the date of the formation of the Presidium by the newly elected Great People's Khural of the Mongolian People's Republic.

Article 31

The Presidium of the Great People's Khural is accountable to the Great People's Khural in all of its activities.

Article 32

The members of the Great People's Khural may not be prosecuted or arrested without the consent of the Great People's Khural, and, during the interval between sessions of the Great People's Khural, without the consent of the Presidium.

Chapter V

THE COUNCIL OF MINISTERS OF THE MONGOLIAN PEOPLE'S REPUBLIC

Article 33

The highest executive and administrative organ of state authority of the Mongolian People's Republic is the Council of Ministers of the Mon-

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golian People's Republic.

Article 34

The Council of Ministers of the Mongolian People's Republic is responsible in its activities to the Great People's Khural, and in the interval between sessions, to the Presidium of the Great People's Khural.

Article 35

The Council of Ministers of the Mongolian People's Republic issues decrees and orders on the basis and in pursuance of existing laws, and supervises their execution.

Article 36

Decrees and orders of the Council of Ministers of the Mongolian People's Republic are binding throughout the territory of the Mongolian People's Republic.

Article 37

The Council of Ministers of the Mongolian People's Republic:

(a) Coordinates and directs the work of the Ministers of the Mongolian People's Republic and other agencies under its jurisdiction.

(b) Adopts measures for the carrying out of the national economic plan, state and local budgets, taxes, and the credit system.

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(c) Exercises general guidance in respect to relations with foreign states.

(d) Exercises general supervision over defense and the building up of the armed forces of the country, and likewise determines the annual contingent of citizens to be called up for military service.

(e) Adopts measures for the maintenance of public order, for the protection of the interests of the state, and for the safeguarding of the personal and property rights of citizens.

(f) Directly supervises and controls the work of the aimak, and Ulan Bator, executive agencies as well as those of the local khurals of workers' deputies.

(g) Revises and annuls orders, instructions, and decrees of the agencies directly subordinate to the Council of Ministers, the Ministers, and the local organs of authority.

(h) Sets up, when it deems necessary, central administrative agencies under the Council of Ministers of the Mongolian People's Republic to deal with economic and cultural development.

(i) Approves patterns and issues the permit for the preparation of the state seal for the use of organs and institutions of the government.

Article 38

The Council of Ministers of the Mongolian People's Republic is formed by the Great People's Khural and consists of:

The Prime-Minister of the Mongolian People's Republic;

The Deputy Prime-Minister of the
Mongolian People's Republic;
The Chairman of the State Planning
Commission;
The Chairman of the Commission of
State Control;
The Chairman of the Committee on the
Arts, and
The Ministers of the Mongolian People's
Republic.

Article 39

The following Ministries are functioning in
the Mongolian People's Republic:

National Defense
Foreign Affairs
Livestock Raising
Industry
Food Production
Transport
Trade
Finance
Domestic Affairs.
Justice
Education
Public Health
Communications

Article 40

Directly subordinate to the Council of
Ministers of the Mongolian People's Republic are
The Committee of Sciences,

The State University,
The Committee on Physical Culture and
Sports,
The State Printing House,
The Committee on Radio Installation and
Broadcasting,
The Central Agency on Literature and
Publishing (Glavlit),
The Central Building Agency,
The Bureau of the Hydrometeorological
Service.

Article 41

The ministers and chairmen of the central agencies of the Mongolian People's Republic each direct a corresponding branch of state administration and assume full responsibility for it before the Council of Ministers.

Article 42

The ministers of the Mongolian People's Republic and chairmen of the central government agencies, within the limits of their competence, issue orders and instructions, and also supervise their execution. Orders and instructions are issued on the basis of, and in conformity with, the existing laws, decrees, and orders of the Council of Ministers of the Mongolian People's Republic.

Chapter VI

LOCAL ORGANS OF STATE AUTHORITY

Article 43

The organs of state authority in the aimaks, the city of Ulan Bator, the khorons, the khorins, and the bags are the khurals of workers' deputies.

Article 44

The aimak, somon, bag, city, khoron, and khorin khurals of workers' deputies are chosen accordingly by the workers of the aimak, somon, bag, city, khoron, and khorin for terms of two years.

Article 45

(As stated in the law of 29 February 1952,
"Un", 1952, No. 64)

The aimak khurals of workers' deputies are formed of workers' deputies on the following basis:

In aimaks with a population up to 30,000 -- 50 deputies; in aimaks with populations over 30,000 -- one deputy for each 600 persons.

The city khural of Ulan Bator consists of workers' deputies chosen on the basis of one deputy for each 375 persons.

The somon, khoron, and those khurals of workers' deputies set off in administrative units of the cities are formed of workers' deputies on the

following basis:

In somons and khorons with populations up to 3,000 -- 30 deputies, and in somons and khorons of over 3,000 population -- 1 deputy to each 100 persons, but the overall number of deputies should not exceed fifty.

Bag and khorin khurals of workers' deputies are formed on the following basis:

In bags and khorins with populations up to 400 -- 7 deputies, and in bags and khorins of over 400 population -- 1 deputy for each 50 persons.

Article 46

(As stated in the law of 29 February 1952,
"Un", 1952, No. 64)

Regular sessions of the aimak and Ulan Bator khurals of workers' deputies are convened by their executive departments not less than two times in a year.

Sessions of the somon and khoron khurals of workers' deputies are convened by their executive departments not less than three times in a year.

Bag and khorin khurals of workers' deputies are conducted by the chairman of the bag or khorin.

Irregular sessions of the local khurals of workers' deputies are convened on the demand of not less than half of the deputies of the khural or on the initiative of the executive department, as well as by direction of the Presidium of the Great People's Khural.

Article 47

To conduct the sessions of the aimak, city, somon, and khoron khurals of workers' deputies, a president and a secretary are chosen by the khural for the period of the session.

Article 48

For the conduct of current business, the aimak and the city (Ulan Bator) khurals of workers' deputies elect from their own members as executive and administrative organs executive departments consisting of from seven to nine persons: A chairman, vice-chairman, head secretary, and members.

Article 49

The executive and administrative organs of the somon and khoron khurals of workers' deputies are the executive departments, elected by the khurals and consisting of from five to seven persons, including the following: A chairman, vice-chairman, secretary, and members.

The chairmen of the executive departments direct all business and convene and preside over sessions of the executive departments.

Article 50

(As stated in the law of 29 February 1952,
"Un", 1952, No. 64)

The executive and administrative organs of the khorin and bag khurals of workers' deputies are executive departments elected by them to consist of a chairman, vice-chairman, and secretary.

Article 51

On the expiration of the terms of office of aimak, somon, bag, and city, khoron, and khorin khurals of workers' deputies, their executive and management organs will remain in power until the formation of new executive and management organs by the newly elected khurals.

Article 52

The aimak, somon, bag, city, khoron, and khorin khurals of workers' deputies:

- (a) Direct cultural-political and economic development in their territories;
- (b) Draw up the local budget;
- (c) Direct the work of the organs of administration subordinate to them;
- (d) Ensure the maintenance of public order, the observance of the laws, and the protection of the rights of citizenship.

Article 53

The higher executive departments of the khurals of workers' deputies have the right to annul the decisions and instructions of lower executive departments and to suspend decisions of

lower khurals of workers' deputies.

Article 54

The higher khurals of workers' deputies have the right to annul decisions and instructions of lower khurals of workers' deputies and of their executive departments.

Article 55

The local khurals of workers' deputies pass resolutions within the limits of the powers vested in them by the laws of the Mongolian People's Republic.

Article 56

The executive departments of local khurals of workers' deputies are directly accountable not only to their elected khural of workers' deputies but also to the executive organs of the higher khurals of workers' deputies.

Article 57

The executive departments of the aimak and city (Ulan Bator) khurals have the following divisions:

- (1) Livestock Raising,
- (2) The Planning Commission,
- (3) Finance,
- (4) Public Health,
- (5) Public Education,
- (6) Military,

(7) The General Division.

Article 58

The divisions of the aimak and Ulan Bator executive departments are, in their activities, correspondingly subordinate to the executive departments of the aimak and city khurals as well as to the corresponding ministry of the Mongolian People's Republic.

Chapter VII

THE COURTS AND THE PROSECUTOR'S OFFICE

Article 59

In the Mongolian People's Republic, justice is administered by the Supreme Court of the Republic, by the aimak and city courts, by special courts of the Mongolian People's Republic established by the Great People's Khural, and by district People's courts.

Article 60

Judicial proceedings in all the courts are conducted by permanent judges, with the participation of people's assessors, with the exception of cases specially provided for by law.

Article 61

The Supreme Court of the Mongolian People's Republic is the highest judicial organ. The Supreme Court is charged with the supervision of the judicial activities of all the judicial organs of the Mongolian People's Republic.

Article 62

The Supreme Court of the Mongolian People's Republic is elected by the Great People's Khural for a term of four years.

Article 63

The city and aimak courts are elected by the city and aimak khurals of workers' deputies for terms of three years.

Article 64

The district people's courts are elected by the citizens of the corresponding aimak, somons, city, and khorons, in Ulan Bator, on the basis of a secret vote with rights of universal, direct, and equal suffrage, for terms of three years. Any citizen twenty-three years of age or over who enjoys the right to vote and has had no previous conviction may be elected as a judge or assessor.

Article 65

Judicial proceedings are conducted in the

Mongolian language, persons unfamiliar with the language being ensured an opportunity to become fully acquainted with the proceedings through an interpreter, and likewise the right to use their own language in court.

Article 66

In all courts, cases are heard in public, the accused being guaranteed the right to defense. Closed judicial sessions are permitted in cases specially provided for by law.

Article 67

Judges are independent and are subject only to the law.

Article 68

Supreme supervisory power over the strict execution of the laws by all the ministries, central organs and agencies subordinate to them, as well as by public servants and citizens of the Mongolian People's Republic, is vested in the Prosecutor of the Republic.

Article 69

The Prosecutor of the Mongolian People's Republic is appointed by the Great People's Khural for a term of five years.

Article 70

In the city and aimaks, the prosecutor's power is vested in city and aimak prosecutors appointed by the Prosecutor of the Mongolian People's Republic for terms of four years.

Article 71

Local prosecutors exercise their functions independently of any local organs whatsoever, being subordinate solely to the Prosecutor of the Republic.

Chapter VIII

THE BUDGET OF THE MONGOLIAN PEOPLE'S REPUBLIC

Article 72

The entire financial policy of the Mongolian People's Republic is directed toward the betterment and well-being of the broad masses of workers, the decisive restriction and dislodging of the exploiting elements and, at the same time, the strengthening by every possible means of the authority of the workers, as well as the independence and defensive capacity of the country.

Article 73

Government revenues and expenditures

of the Mongolian People's Republic are combined in the over-all state budget.

Article 74

The state budget is prepared by the Ministry of Finance and examined by the Council of Ministers. The budget as approved by the Council of Ministers is subject to the confirmation of the Great People's Khural of the Mongolian People's Republic.

Article 75

The Great People's Khural of the Mongolian People's Republic elects the budget committee, which reports to the Great People's Khural its conclusions on the state budget of the Mongolian People's Republic.

Article 76

There can be no disbursement whatsoever of state funds, unless it is provided for by the state budget, or unless such expenditure is authorized by a special decree of the Presidium of the Great People's Khural or the Council of Ministers. The funds provided for by the state budget are expended solely in accordance with their direct allocation, within the limits of the established estimates.

Article 77

The Great People's Khural distributes the revenues among the state and local budgets.

Article 78

Aimak, somon, and city budgets are examined and approved by the aimak, somon, and city khurals of workers' deputies.

Article 79

The report by the Council of Ministers of the Mongolian People's Republic on the fulfillment of the state budget is to be introduced for the examination and approval of the Great People's Khural.

Chapter IX

THE ELECTORAL SYSTEM OF THE MONGOLIAN PEOPLE'S REPUBLIC

Article 80

Elections of deputies to all khurals of workers' deputies, the Great People's Khural of the Mongolian People's Republic, as well as the aimak, city, somon, khoron, bag, and khorin khurals of workers' deputies, are held by the electors on the basis of a secret vote with universal, equal, and direct suffrage.

Article 81

Elections of deputies are universal: All citizens of the Mongolian People's Republic 18 years of age or over, irrespective of their sex, race, nationality, religion, education, settled or nomadic way of life, property status, and social origin, except persons deprived of their voting rights by court conviction and persons recognized in the established manner of the law as insane, take part in elections and may be elected to office.

Article 82

Elections of deputies are equal. Each voter has one vote. All citizens vote in the elections on the same basis. Members of the armed services enjoy voting rights on an equal footing with all citizens.

Article 83

Women enjoy full rights to elect and be elected to office on the same terms as do men.

Article 84

Elections of deputies are direct; elections to all khurals of workers' deputies, from the bag and khorin khurals of workers' deputies to the Great People's Khural of the Mongolian People's Republic, are held by way of direct elections by the citizens.

Article 85

For elections to all khurals of workers' deputies, a secret vote is established.

Article 86

Candidates in the elections are nominated according to electoral districts. The right to nominate candidates is ensured for social organizations and societies of workers: People's Revolutionary Party organizations, cooperative and professional unions, youth organizations, arat unions, and cultural societies.

Article 87

Each deputy is obligated to report on his work and that of the khural of workers' deputies before the voters and may be recalled at any time on the decision of a majority of the voters in the established manner of the law.

Chapter X

FUNDAMENTAL RIGHTS AND DUTIES OF CITIZENS

Article 88

The Constitution of the Mongolian People's Republic consolidates the right won by the people to free use of pastures, in order to promote the greater development of livestock raising, as well

as the application by the citizens of their knowledge and labor in all branches of state, economic, and cultural development.

Article 89

Citizens of the Mongolian People's Republic have the right to rest. This right is ensured by the reduction of the working day to 8 hours for employees and workers, the institution of annual vacations with full pay for workers and employees, and the provision of theaters, clubs, sanatoriums, and rest homes for the accommodation of the working people.

Article 90

Citizens of the Mongolian People's Republic have the right to education. This right is ensured by education free of charge, by the development of a network of schools, technical schools, higher educational institutions, by instruction in the schools in the native language, and by a system of state scholarships in the higher schools.

Article 91

Citizens of the Mongolian People's Republic and hired laborers have the right to material assistance in old age, as well as in the event of illness and loss of capacity to work. This right is ensured by a system of social insurance for workers and employees at the expense of the state or employer, free medical service for the

working people, and the development of a network of health resorts.

Article 92

All citizens of the Mongolian People's Republic, irrespective of their nationality, have equal rights in all spheres of the state, economic, cultural, and socio-political life of the country. All direct or indirect restrictions on the rights of citizens, the manifestation of imperialistic chauvinism, discrimination, and propaganda on nationalistic grounds, are punishable by law.

Article 93

Women in the Mongolian People's Republic are accorded equal rights with men in all spheres of economic, cultural and socio-political life. The opportunity to exercise these rights is ensured by granting women equal rights with men in regard to work, rest, social insurance, education, state protection of the interests of the mother and child, and by granting hired women prematernity leave with full pay.

Interference, in any way whatsoever, with the emancipation and equal rights of women, that is: marrying them off before they have come of age, taking them in marriage, giving or receiving ransom for a bride, polygamy, preventing them from attending school, or from participating in the economic, state, cultural, and socio-political life, etc., is punishable by law.

Article 94

In the Mongolian People's Republic religion is separated from the state and the school. Citizens of the Mongolian People's Republic have the freedom of religion and of antireligious propaganda.

Article 95

In conformity with the interests of the workers, and in order to develop the organizational initiative and political activity of the working masses, citizens of the Mongolian People's Republic are ensured the right to unite in public organizations: trade unions, cooperative associations, youth organizations, sport and defense organizations, cultural, technical, and scientific societies; and the most active and politically-conscious citizens in the ranks of the workers, arat workers, and intelligentsia, are united in the Mongolian People's Revolutionary Party, which is the vanguard of the working people in their struggle to strengthen and develop the country along noncapitalistic lines into a party which is the foremost nucleus of all organizations of workers, both public and state

Article 96

Every citizen of the Mongolian People's Republic has the right to submit freely written or oral complaints or declarations against the unlawful acts of the organs of authority, or against individual officials in the corresponding organs

of the government and administration, up to the very highest. All organs of authority and officials are obligated to examine forthwith the declarations and complaints submitted, and to give the complainant a reply bearing upon the declaration or complaint.

Article 97

All citizens of the Mongolian People's Republic have the right to move about freely, and to select a place of residence.

Article 98

In conformity with the interests of the workers, and in order to develop and strengthen the state system of the Mongolian People's Republic, citizens of the Mongolian People's Republic are guaranteed by law:

- (1) Freedom of speech
- (2) Freedom of the press
- (3) Freedom of assembly and meetings
- (4) Freedom of street processions and demonstrations

Article 99

Citizens of the Mongolian People's Republic are guaranteed inviolability of the person. No person may be placed under arrest, except by decision of a court or with the sanction of a prosecutor.

Article 100

The inviolability of the homes of citizens and privacy of correspondence are protected by law.

Article 101

The Mongolian People's Republic affords the right of asylum to foreign citizens persecuted for defending the interests of the workers, or for their struggle for national liberation.

Article 102

It is the duty of every citizen of the Mongolian People's Republic to abide by the Constitution (Fundamental Law) of the Mongolian People's Republic, to observe the laws, to maintain labor discipline, to promote in every way possible the economic, cultural, and political development of the country, to perform their public duties honestly and to protect and strengthen public and state property.

Article 103

Compulsory military service is the law of the land. Military service in the Mongolian People's Revolutionary Army is obligatory for citizens of the Mongolian People's Republic.

Article 104

The defense of the motherland is the sacred duty of every citizen of the Mongolian People's Republic. Treason to the motherland -- the violation of the oath of allegiance, desertion to the enemy, impairment of the military power of the state, and espionage -- is punishable as the most heinous of crimes.

Chapter XI

ARMS, FLAG, CAPITAL

The State Emblem of the Mongolian People's Republic consists of a circle, in which is depicted an arat with a lariat in his hands, galloping on horseback toward the sun.

Inside the circle is depicted a typical Mongolian landscape (a forested steppe, a desert, mountains).

Around the edge of the circle, which is framed in green, on two sides there are depicted in small circles the heads of a sheep, a cow, a camel, and a goat. At the base of the circle is the ornament "Alkha" in one line.

In the center of the upper part of the circle is a five-pointed star. At the base of the circle is a bunch of greens tied with a ribbon, with the inscription "The Mongolian People's Republic."

Article 106

The state flag of the Mongolian People's

Republic is composed of red and blue widths of cloth, such that the middle third of the flag is a strip of sky-blue color and the other two parts, on either side, are of red.

In the upper part of the red strip affixed to the flagpole is a gold five-pointed star, beneath which is the sign, also in gold, "soyombo" without the lotus blossom. The width is in the proportion 1:2 to the length.

Article 107

The capital of the Mongolian People's Republic is Ulan Bator.

Chapter XII

PROCEDURE FOR AMENDING THE CONSTITUTION OF THE MONGOLIAN PEOPLE'S REPUBLIC

Article 108

The Constitution of the Mongolian People's Republic is amended only by the decision of the Great People's Khural, adopted by not less than a two-thirds vote.

Text of Constitution from Konstitutsiia i osnovnye zakonodatel'nye akty Mongol'skoi Narodnoi Respubliki [The Constitution and Basic Legislative Acts of the Mongolian People's Republic], translated by D. L. Plank from the Russian (translation from the Mongolian by S. S. Demidov), Moscow, 1952; pp. 37-57.

STATUTES OF THE MONGOLIAN PEOPLE'S REVOLUTIONARY PARTY*

Division 1

THE MEMBERS OF THE PARTY

1. Every person working in one of the organizations of and recognizing the program of the party who submits to the decisions of the party, and who pays membership dues in the established manner is considered a member of the Mongolian People's Revolutionary Party.

2. The Mongolian People's Revolutionary Party accepts into its ranks persons who are true to the Mongolian people's revolution, the more conscious, advanced, and active citizens of the Mongolian People's Republic: workers, herdsmen, and the intelligentsia, without distinction as to nationality or sex.

3. Persons who have reached 18 years of age are accepted into the party.

Note. Youth under 20 years of age may be accepted into the party by way of the RSM [Revolutionary Youth League].

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* The Statutes of the Mongolian People's Revolutionary Party were adopted by the eleventh session of the Mongolian People's Revolutionary Party on December 23, 1947. They are printed according to the text, Programma i ustav Mongol'skoi revoliutsionnoi partii [Program and Statute of the Mongolian People's Revolutionary Party], Ulan Bator, 1949, in the Mongolian language.

4. All persons who become members of the party are accepted individually and pass through an established period of candidacy, in the course of which candidates should familiarize themselves with the program, statutes, and policies of the party, and the party organization verifies the personal qualifications of the candidate.

Persons who especially distinguish themselves in the struggle for their homeland, in exceptional cases, may be accepted directly as members of the party on the decision of the CC [Central Committee] of the party.

5. Workers, arat-herdsmen, and people in intellectual labor coming from the ranks of laborers pass through a six-month period of candidacy. To be accepted into the party they are to present statements of their desire to enter the party, affixing to the latter their autobiography and the recommendations of two members of the party who have a minimum of two years in the party and who know the person desiring to join the party through having worked with him for not less than one year. Persons making recommendations should give their commendation only to persons worthy of being accepted into the party and are held responsible for giving recommendation to persons who do not deserve to be received into the ranks of the MPRP.

Note. Members of and candidates for the CC MPRP are to abstain from recommending persons entering the party.

6. Persons from the non-laboring population, children, and relatives of feudal lords, former members and lamas, who have transferred to socially

useful labor, those formerly excluded from the party, must present, besides the statement concerning entrance into the party, the recommendations of three members of the party who have a party tenure of not less than two years.

The persons indicated in the above paragraph are accepted as members of the party after two-year periods of candidacy.

Note 1. Persons from the non-laboring population who were born after the revolution, and also lamas who, having formerly served in the cult before their twenty-fifth year, no longer have the title or the duties of a lama, are accepted on general grounds.

Note 2. High lamas, former feudal lords and high-ranking members of the feudal class, and people living on unearned incomes, and also other exploiting elements, masters of state and public funds, leaders of counter-revolutionary organizations and their active co-participants are not accepted into the party.

7. Candidates for membership in the party bear all obligations of and pay members' dues on an equal basis with members of the party. In party meetings, candidates have the right of deliberative vote.

8. On the expiration of his period of candidacy a candidate for the party is to submit his statement concerning his acceptance as a member of the party and to affix his recommendations in the same manner.

as when he became a candidate for the party.

9. The question of accepting persons as candidates for the party and the acceptance of candidates as members of the party is decided by a general meeting of a party cell.

The decision of a general meeting of a cell goes into effect after its approval by an aimak or city party committee.

The acceptance into the party of persons having a two-year period of candidacy is finally decided by the Central Committee of the party.

Note. Members of the Revolutionary Youth League are taken into the party in the regular manner, but one of their recommendations may be replaced with the recommendation of a Revolutionary Youth League organization.

10. The report of the meeting of the party cell and their decision on the acceptance of a person as a member or candidate for membership in the party are sent, together with all the materials concerning the accepted person, to the aimak or city party committee.

The aimak or city committee is required to inform the cell of its decision. On persons whose acceptance into the party has been finally approved by the Central Committee, the aimak committee or the city committee is required to transmit all material with its decision to the Central Committee of the MPRP.

The Central Committee is to inform the aimak or city party committee of its decision. Length of

service time in the party is calculated beginning with the day on which the decision on acceptance made by the cell.

11. The aimak or city committee issues a membership card or a candidate's card of the established form to each person accepted into the party not later than a month after approval.

12. Members in and candidates for the party on changing their places of residence, are required to appear personally before the secretary of the party cell to be removed from the register, and on arriving at a new residence they are required to register with the appropriate cell.

Note. The transfer of members of the party from one organization to another is made in accordance with the rules established by the CC MPRP.

Division II

OBLIGATIONS AND RIGHTS OF MEMBERS OF THE PARTY

13. Members of the party are required:

(a) To work unremittingly on raising their political consciousness, and on mastering the fundamentals of Marxism-Leninism;

(b) To observe the statutes of the party and party discipline and to fight every day for the realization of all tasks facing the party; to participate actively in the political life of the party and the country, and to carry into practice the policies of

the party and the decisions of party organs;

(c) To be a model in the fulfillment of state and labor discipline; to have a command of the technique of his job, constantly improving his productive qualifications for his job.

(d) To strengthen every day contact with the masses, to give timely response to the demands and needs of the workers, and to explain to the non-party masses the policies and decisions of the party.

14. Members of the party have the following rights:

(a) To participate in free and business-like discussion at party meetings or in the party press of practical questions of party policy;

(b) To criticize at party meetings any worker of the party;

(c) To submit with any question statements and proposals to any party organ, up to the C of the party;

(d) To demand personal attention in all cases in which questions on their activities or conduct are being decided.

15. The unity of will and action is the basis of the existence of the party. Therefore, party organizations are required to conduct a resolute battle against all violators of unity in the party and of its statutes and discipline.

Toward persons violating the statutes of the party and party discipline, as well as those committing acts unworthy of party members measures of party punishment are applied in the form of warnings, reprimands, strong reprimands, and reprimands with

warning of expulsion from the ranks of the party, and in case of repeated offenses, transfer to party candidacy for a period of from six months to one year, and in extreme cases, for more serious acts unworthy of anyone in the party ranks, expulsion from the party.

A member of the party who has received punishment and who has proved by his conduct that he has mended his ways has the right, after six months have passed since party punishment was applied, to request his cell to remove punishment.

In deciding questions about party members, party organizations are required to conduct a careful examination into the nature of the accusations presented against a member of the party and to guarantee an attentive and considerate analysis of the party member's case.

16. Questions concerning expulsion from the party are decided by a general meeting of the party cell and are finally approved by the aimak or city committee of the MPRP.

Persons expelled from the party have, up until the approval by the aimak or city committee of the cell's decision concerning expulsion, the right to be present at party meetings.

The aimak or city committee of the party publishes notices concerning those expelled from the party in the local party press, indicating reasons for expulsion; it also makes notice in the press of the reinstatement of persons improperly expelled.

17. Party members and candidates who do not pay their membership dues for three months without valid excuse are considered as having left the ranks of the party, concerning which the appropriate

ate decision is passed by the party cell and approved by the aimak or city party committee.

18. If a person expelled from the party considers his expulsion improper, he has the right to appeal the decision of the aimak or city committee with the Central Committee of the MPRP.

19. Appeals of persons expelled from the party should be examined by the appropriate party organs not later than within two weeks from the time at which they were submitted.

20. The Central Committee of the MPRP has the right to expel from the staff of the Central Committee of the MPRP, and further, from the party, members of the Central Committee of the MPRP who violate the party program, statutes, or party and state discipline.

Questions on the expulsion of members and of candidates for the Central Committee of the MPRP from the ranks of members of and candidates for the Central Committee, as well as from the party, are decided by the plenum of the Central Committee of the MPRP.

Division III

THE BASES OF PARTY ORGANIZATION

21. The Mongolian People's Revolutionary Party is organized on the following bases:

(a) All directing party organs are, from bottom to top, elective;

(b) All directing party organs are accountable for their work to their party organizations.

(c) Lower party organs are unconditionally subject to the decisions and directives of higher organs;

(d) Questions are decided by a simple majority, and, after their decision, all members of the party are required by honor to put them into effect.

22. Party organizations are set up according to territorial indication, i. e., a party organization serving an aimak is considered the highest in relation to all party organizations serving parts of the given aimak; a city party organization is considered highest in relation to all party organizations in the city, etc.

23. The cell bureau is elected by a general meeting of the cell, the party committee by a conference or congress; these bureaus and party committees are their executive organs and direct all current work of the organization.

24. In party organ elections voting by list is prohibited; voting should be done according to candidate, each taken separately, thus guaranteeing all members of the party the unlimited right to challenge and criticize candidates. Elections are conducted through open voting for the candidates.

25. In all aimak and city centers, densely populated points, and enterprises, the active members [of the party] are convoked to discuss the more important decisions of the party and government.

26. The following are considered the direct organs of the party:

(a) For the entire party -- the congress of the MPRP, and, between congresses -- the Central Committee, which is elected by the party congress;

(b) For the aimak -- the aimak party conference, and, between conferences -- the aimak committee, which is elected by that conference;

(c) For the city-- the city party conference, and, between conferences -- the city committee, which is elected by that conference;

(d) For somons, bags, institutions, and industrial enterprises -- the general meeting of the party cell and the party bureau, which is elected by the general meeting.

27. For practical work in the execution of party decisions, there are the following departments in the Central Committee of the MPRP:

(a) The department of organization and instruction;

(b) The department of cadres;

(c) The department of propaganda and agitation.

(The direction of the department of propaganda and agitation and the department of cadres is vested in special secretaries).

(d) The department of livestock raising and agriculture;

(e) The department of industry, transport, and trade.

28. Party organizations, after their final confirmation by higher party organs, may acquire their own press only upon getting the permission of the latter party organs.

29. All party organizations decide questions of a local character independently, being guided by the general principles of party policy or by the instructions of higher organs of the party.

Division IV

HIGHER PARTY ORGANS

30. The highest organ of the party is the congress of the MPRP. Regular congresses are convened once every three years. Extraordinary congresses are convened on the decision of the Central Committee of the MPRP or at the request of one third of the overall membership represented at the last party congress. The convocation of a party congress and the agenda are announced two months beforehand. An extraordinary congress is convened to last not more than one and one-half months.

Norms of representation at party congresses are established by the Central Committee of the MPRP.

Delegates to party congresses are elected in aimak and city party conferences and army party conferences.

31. The congress [has the following functions]:

(a) It hears and approves the accounts of the Central Committee of the party, the Central Inspection Committee, and of other central organs of the party;

(b) It approves the program and statutes of the party, as well as changes and additions to the program and statutes of the party;

(c) It determines the tactical line of the party on basic questions of current policy;

(d) It elects the Central Committee of the MPRP and the Central Inspection Committee;

32. The staffs of the Central Committee of the

MPRP and the Central Inspection Committee are elected as established by the congress.

In case of absence of members of the Central Committee of the MPRP, their staffs are filled at the plenum of the Central Committee from the candidates elected by the congress.

33. The Central Committee of the party between congresses directs all party work, sets up various party organs, directs their activities, appoints the editor of the central organ working under the control of the Central Committee of the party, and administers the distribution of forces and means of the party. The Central Committee of the MPRP directs the activities of central state and public organizations through party members working in them.

34. Plenums of the Central Committee of the party are convened not less often than once per year. Candidates for membership in the Central Committee of the MPRP attend plenums with the right of deliberative vote.

35. The Central Committee of the party examines and decides questions of party policy. The Central Committee of the MPRP is organized in the following manner: for political work -- the Political Bureau; for general direction of organizational work and current work of an organization-executive character -- the Secretariat; for checking on the execution of party decisions and decisions of the Central Committee of the MPRP -- the Commission of Party Control.

36. The Commission of Party Control:

(a) Controls the execution of decisions of the party congress and of the Central Committee of the MPRP by party and public organizations and state-economic organs;

(b) Checks on the work of local party organizations;

(c) Brings to responsibility for their actions those persons guilty of violating the program and statutes of the MPRP and party discipline.

37. For purposes of strengthening party control and the political work, the Central Committee of the MPRP has the right to set up political departments and allots party organizers of the Central Committee of the MPRP to those areas of state construction which have fallen behind, and also, as a measure for the political departments to fulfill the tasks, changes them into customary party organs set up according to production-territorial indicators. The political departments work on the basis of special instructions approved by the Central Committee of the MPRP.

38. The Central Committee of the MPRP regularly informs party organizations about its work.

39. The Central Inspection Commission:

(a) Checks on the speed and correctness with which business is done by the Central Committee of the MPRP;

(b) Inspects the finances and property of the Central Committee of the MPRP.

Division V

AIMAK AND CITY PARTY ORGANIZATIONS

40. Aimak and city party conferences are

convened by aimak and city committees not less often than once every one and one-half years. An extraordinary conference is convened on the decision of the Central Committee of the MPRP, the aimak or city committees, or on the demand of one-third of the overall number of members of the party organizations in the aimak or city.

41. Aimak and city conferences of the party hear and confirm reports of accounts made by aimak and city inspection commissions and pass decisions on them; they elect the aimak and city committees and the aimak and city inspection commissions, staffing them with the number of members assigned by the conference; they elect delegates to the party congress.

42. Aimak and city party committees organize and confirm party cells, keep an account of members and of candidates for the party, and direct agitation-propaganda and political-educational work in the aimak and the city; they examine and approve resolutions of primary party organizations on the acceptance of members and candidates into the party and on expulsions; and they direct the work of party members working in public and state organizations within the aimak or city.

43. For checking on all current work, the plenum of the aimak or city committee elects a bureau of seven to nine persons and selects an aimak and city committee secretaries, and also confirms the managers of the departments of aimak and city committees and the editors of newspapers.

The secretaries of aimak and city committees are elected from the ranks of persons with record of party service of not less than three years.

44. Plenums of aimak and city committees are convened not less than twice per year.

45. The following departments are organized in aimak and city committees:

- (a) Organizational-instructional;
- (b) The department of propaganda and agitation;
- (c) The department of cadres.

When necessary, the Central Committee of the MPRP may, on its own decision, change the number of the departments of the aimak and city committees.

The direction of departments of cadres of aimak and city committees is vested in special secretaries.

46. Inspection commissions of aimak and city committees:

- (a) Check on the correctness and speed with which work is done by the aimak and city party committees;
- (b) Check the accounting and finances of aimak and city committees.

Division VI

PRIMARY PARTY ORGANIZATIONS

47. Party cells are organized in somons, local institutions, state farms, industrial combines, etc.

making stations, schools, enterprises, etc. when there are at least three members of the party present.

Party cells are confirmed by aimak and city committees or by appropriate political departments.

Note. In the presence of a number of party members less than that required for the establishment of a cell, part-revolutionary youth-league groups are organized. Group organizers are appointed by aimak party committees from the members of the party present.

48. In enterprises, institutions, state farms, etc. where there are more than 80 party members and candidates within the overall primary party organization which embraces the entire enterprise, institution, etc., party organizations in shops, districts, departments, etc. may be organized in each separate case with the approval of the aimak or city committee or the appropriate political department.

Within shop, district, etc. organizations, as well as within primary party organizations in which there are less than 80 party members and candidates, party groups may be set up in shops, brigades, and aggregates of enterprises.

49. In large enterprises and institutions, having more than 300 party members and candidates, say, in each separate case with the authorization of the Central Committee of the MPRP, set up factory party committees, the rights of the primary

organization (cell) being granted to shop party organizations of these enterprises.

In large somons somon party committees may be set up with the permission of the Central Committee.

50. Party cells have the following functions:

(a) They form a connection between the broad masses of workers, laboring arats and intelligentsia and the managing organs of the party.

(b) They explain to the masses the policies of the party and government and organize the masses for the fulfillment of party and government decisions;

(c) They bring new members into the party and organize their political upbringing and Marxist education;

(d) They execute the decisions of aimak and city party committees;

(e) They actively participate in the economic and political life of the country;

(f) They organize and conduct cultural-educational work among the workers;

(g) They mobilize the masses in enterprises, state farms, arat combines, etc. for the fulfillment of the production plan, the strengthening of labor discipline and the development of revolutionary competition;

(h) They conduct a battle against uneconomical activities in enterprises, state farms, and other organizations, and exert effort each day to better the cultural-living conditions of workers, civil servants, and laboring arats.

51. In order to increase the role of party cells in productive enterprises and state farms and their responsibility for the condition of the work of enterprises, the right of control over the activities of enterprise managements is granted to these organizations. Party cells of ministries, which because of special working conditions in state establishments may not exercise controlling functions, are required to give signals concerning deficiencies in the work of establishments, to give notice of shortcomings in the work of ministries and their individual workers, and to transmit their materials and considerations to the Central Committee of the MPRP and the directors of the ministries. Secretaries of party cells in ministries are confirmed by the Central Committee of the MPRP. All members and party candidates who work in the central apparatus of a ministry are included in a single overall ministry party organization.

52. In order to conduct all current business, party cells numbering more than ten in party membership are to elect cell bureaus of three to five persons. This bureau elects the cell secretary from its own membership.

In cells of from three to ten party members only a secretary is elected -- by a general meeting.

In party cells having not more than 180 party members in enterprises and institutions, party work is conducted, as a rule, inseparably from that of workers in production. Party cell secretaries are required to have belonged to the party for

not less than one year.

53. General meetings of party cells are held not less than once per month.

54. Bureaus of party cells and secretaries are elected for terms of one year.

Division VII

PARTY ORGANIZATIONS IN THE MPRA AND THE FORCES OF THE MVD

55. All party work in the MPRA and among the border and domestic forces of the MVD is directed by the Political Agency of the MPRA and the political department of the forces of the MVD on the basis of special regulations approved by the Central Committee of the MPRP. The Political Agency of the MPRA and the political department of the forces of the MVD are subordinate directly to the Central Committee of the MPRP. The Political Agency of the MPRA/under the regulations of the military department of the Central Committee of the MPRP.

MPRA: Mongolian People's Revolutionary Army.

MVD: Ministry of Internal Affairs.

[Translator's note]

Heads of political departments in the army are required to have three years of party service.

Division VIII

PARTY DIRECTION OF NON-PARTY ORGANIZATIONS

56. In order to strengthen the influence of the party and to conduct its policies in non-party areas, the Central Committee, city and aimak committees of the MPRP direct party members and candidates who serve as delegates to congresses or conferences, and who also work in establishments, enterprises and public organizations. Members of the MPRP, participants in congresses and conferences, and workers in non-party organizations are required to follow actively the decisions passed by the party.

Division IX

PARTY DIRECTION OF REV SOMOL [Revolutionary Youth League]

57. The Revolutionary Youth League works under the direction of the MPRP; the Central Committee of the Revsomol is, in its activities, directly subordinate to the Central Committee of the MPRP.

The work of local organizations of Revsomol is directed and controlled by the corresponding party organizations.

58. Party members may at the same time be members of Revsomol prior to reaching 25 years of age.

59. Revsomol is the active assistant to the party in all state and economic construction. The Revsomol organization should be active in conducting party decisions.

60. Party members and candidates who are at the same time members of Revsomol pay membership dues in the party.

Division X

FINANCIAL MEANS OF THE PARTY

61. The financial means of the party and its organizations consists of members' dues and other income.

62. Party members and candidates pay dues once a month in the following amounts:

Salary in tugriks: up to 100 101-200 201-300 301-400

Membership dues: 0.5 1 1.5 2
over 400

3

Those not receiving salary at a set rate pay their party membership dues monthly in the following manner:

	tugriks	mongol
Persons not having a salary:	--	15
Persons having:	--	--
1-20 bodo	--	80
21-50 bodo	--	40
51-100 bodo	--	40

101-200 bodo	6	--
201-300 bodo	10	--
301-400 bodo	15	--
401 and above	20	--

Note 1. The membership dues of party members having their own farms and of civil servants are taken only from their account of wages.

Note 2. If a party member for any reason receives supplementary pay over and above his set wage-rate, his membership dues are paid from the overall sum of his wages in the manner indicated above.

Translated from: "Ustav Mongol'skoi narodno-revoliutsionnoi partii" [Statutes of the Mongolian People's Revolutionary Party], translation by D. L. Plank, from the book Mongol'skaia Narodnaia Respublika [The Mongolian People's Republic], Moscow, 1952, pp. 373-384.

**D. The Financial System
of the Mongolian People's Republic**

by Franklyn D. Holzman

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I. THE UNIFIED BUDGET

Structure of the Budget

As is the case in most other countries, the various political entities included in the Mongolian People's Republic each maintain a set of financial accounts or budgets, which indicates on the one hand the nature of the activities in which the entity engaged, and on the other, the source of revenues by which these activities are financed. For the past thirty years, detailed statistical information has been available only for the so-called unified budget of the MPR. This budget is a composite of the budgets of the central government (called Republic budget), local governments (both aimak and city governments), as well as the special social insurance budget (see below). In 1953, there were nineteen separate local budgets (Tsapkin, 1953, p. 72. In his book dated 1948, Tsapkin says [p. 87] there were twenty-one). The unified budget is akin, in structure, to the consolidated budget in this country which comprises the federal, state, and local budgets, and to the unified budget of the USSR which comprises the budgets of the Union government itself, the various republics, the local governments, and also the social insurance budget. There is a substantial difference in the interrelationship between budgets in the various nations, however. In the United States, the federal, state, and local governments operate their budgets in substantial independence of one

another. Within broad limits, each government is free to decide the size of its expenditures, the nature of the projects it wishes to undertake, and types of taxes or loans or both to be used to support such undertakings. In the MPR, and even more so in the USSR, the emphasis is on the consolidated or unified budget. This explains why the available data refer primarily to the unified budget in the MPR and to the individual budgets in the United States. This follows from the fact that political and economic power is so much more centralized and, related to this, the fact that the number and extent of economic activities undertaken and planned for by the state is so much greater in the MPR and USSR than in the United States. The aimak and city governments in the MPR do have operating budgets, i. e. they collect taxes and spend the money so collected to carry out various legitimate functions (see below). But the budgets of these governments are in important part dictated from above and, in any case, are subject to approval, as part of the unified budget by, first, the Council of Ministers and finally the Little (now Great) Khural of the MPR. (See "On the Budget Laws of the Mongolian People's Republic" [dated September 11, 1944], Part I, articles 2, 3, 4). The division of expenditures among the budgets (Ibid., Part II) is based on the principle that the republican budget (that of the central government) finance those activities of national significance (e. g. defense, national administrative expenses, financing of state industry and other

industry of national importance, universities, etc.) while the local budgets finance those activities which are of less crucial significance and which are more easily handled, from an administrative point of view, by aimak and city governments (e. g. local industries, lower school system, local administrative expenses, smaller hospitals and dispensaries, local housing and construction expenditures). The social insurance budget includes expenditures for the support of rest homes, disability relief, old age pensions, etc.

A similar principle is followed in the division of revenue between the two classes of budgets. The republican budget receives, with exceptions noted below, all the revenue from both major tax (turnover tax, deductions from profits, customs) and non-tax (revenue from sales of transport, postal, telegraph, and other services of nationalized industries) sources and from the sale of government bonds. The aimak and city administrations obtain their funds from minor taxes (tax on bazaars, stamp duty, buildings tax), from a twenty-five percent deduction from the turnover tax on enterprises of local significance, from the sales of nationalized enterprises of local significance, and finally, (and this is the exception) from deductions from republican sources of revenue to an extent which is to be determined each year by the Little Khural of the MPR. As in the case of expenditures, it is administratively convenient to have the local authorities collect local taxes and share in the proceeds of major tax-

es: their incentive to do an efficient job is thereby increased. The social insurance budget receives its funds primarily as a result of a payroll tax levied on all organizations, institutions, and enterprises, but also from minor charges made for services dispensed by rest homes, sanatoriums, etc.

The available data indicate some fluctuation in the relative importance of the local and republican budgets:

TABLE I
Local Budgets as a percent of Unified Budget.

<u>Year</u>	<u>Expenditures</u>	<u>Receipts</u>
1930		31.0
1935	20.3	
1938	12.7	
1940	15.5	
1941		13.3
1942	14.5	13.2
1943		12.1
1944		13.1
1945		20.7
1949	24.0	
1950	27.0	
1951	26.3	

Source: derived from Tables 3-10, 17-22.

The decline in importance of the local budgets, hence the rise of the republican budget, from 1930 to 1938 no doubt indicates an increase in the power of and number of activities engaged in by the central

*

government. The period from 1938 to 1944 is one of relative stability after which the importance of the local budget once again rises. This rise is attributed by Tsapkin to the growth of the network of agricultural institutions, and to the increase in education and health services. (Tsapkin, 1953, p. 72). Since the dispensing of education and health services constitutes about two-thirds of all local government activity,** an increase in these items could certainly have had the effect indicated by Tsapkin. And the tables on budget expenditure do indicate a steady increase in the proportion of social-cultural expenditures (predominantly education and health) in the unified budget in this period: from about twenty percent in 1940 to 31.5 percent (plan) in 1953.

* The local budget share of the unified budget was probably even greater before 1930 though data are not available by which this can be demonstrated. Before the revolution, according to Maiskii (pp. 282-284), the local budgets were relatively large, constituting in 1915-1916 about 5/7 of the total.

** Education and health expenditures totaled 72.1 percent in 1950 and were planned in 1953 at 66.1 percent of total local budget expenditures. (Maslennikov, p. 140 and Tsapkin, 1953, p. 72).

It is interesting to note that the relationship between budgets in the MPR is similar to that in both the United States and the USSR. In the Soviet Union in 1949, for example, the budget of the central government disbursed seventy-eight percent of all funds whereas local budgets disbursed twenty-two percent (Rovinskii, 1949, p. 47); in the United States in 1948, the percentages were seventy-four and twenty-six respectively (Shultz and Harriss, 1949, p. 38). This similarity in breakdown is no accident but reflects the similar division of governmental activities between central and local governments which prevails in many nations.

Size and Significance of the Unified Budget.

The size or significance of a nation's budget is usually measured by comparing the amount of the budget with the national income. If the two totals are in comparable units, the ratio is important in that it indicates the share of government activity in the economy. This, in turn, provides an indication of the political role of government in the nation. One difficulty in obtaining a reliable ratio of this sort in most countries is that while national income is typically computed very rigorously according to value-added principles, such is not the case with budgets which usually include (1) transfer payments (payments such as pensions to the aged and unemployment insurance) which are clearly not payments for contribution to

*

the national output, (2) total receipts (and expenditure) of many enterprises (such as the post office) which overstates the value-added of such enterprises since it does not deduct cost of goods purchased from other enterprises, and, (3) subsidies and indirect taxes in varying amounts which cause the factor-cost and market-price valuation of the government's contribution to national income to differ by an amount which is not always known nor easily ascertainable. In the case of Outer Mongolia there are added difficulties.

First, estimates of national income are few and their reliability questionable both because of the statistical backwardness of the country and because so much of the national output never enters the market and is therefore very difficult under the best of circumstances to value. Second, a very large part of the government's activity until recently was in-kind consisting of goods and services requisitioned from individuals and put to

* It has been pointed out to me by my colleague, Prof. James K. Hall, that in increasing the political power of a nation, it may not be irrelevant to include budgeted transfer payments since these provide an indication of the state's interference with the distribution of personal income as determined in the market place.

government use. Almost nothing is known regarding the relative importance of these in-kind budget receipts and expenditures except that they have tended to decline over time. The principal service, so-called urton service, which is the obligation of the people to provide the state with transportation service in the form of horses and upkeep of stations, was finally revoked entirely in 1949 (see below). Those items which are subsequently sold to the population or to other nations (usually the goods), are reflected in the budget receipts; those which are not (usually the services) never appear in the budget accounts.

The extent to which the preceding qualifications vitiate our estimates is difficult to judge. Botvinnik (1928-pp. 1-20), in his estimate of national income for 1927, attempts to take account of income in kind. He claims that of a total income from livestock of almost 30 million tugriks, the nomads consumed in kind about 8 1/2 million and marketed the rest. Breiter (1929, p. 131) is quick to point out that not all of the marketed part represents products sold for money-- a large part is bartered. No information at all exists regarding the extent of the taxes in kind for the post-revolutionary period. Consten (No. I, pp. 140-141, cited by Rupen, p. 53) claims that the alba (the services in kind) for the average Mongol family (in the period of Autonomy) amounted to seventy-seven rubles a year out of an estimated annual income of 330 rubles, or almost twenty-five percent of income. Zlatkin (p. 99) asserts that in 1915, urton

service alone amounted to thirty-six percent of the expenditures of the average hoshun budget. This implies that perhaps as much as one-half of the expenditures of the hoshun budgets were in-kind. A cursory examination of the budget expenditures total for 1930 leads me to believe that it is inflated by about twenty percent by transfer payments and other non-productive expenditures. To end on an optimistic note, it is worth noting that for our purposes, the (inflating) errors introduced into the budget totals by inclusion of transfer payments, etc., are, at least, in the opposite direction and tend to offset the (deflating) error of omitting in-kind activities. The degree of offset is, of course, unknown.

Despite all of the above qualifications, it is still of interest to compare the unified budget totals with national income for 1927 and 1930, the only years for which estimates of the latter are available. Unfortunately, 1927 is the only year in the 1920s for which reliable budget totals are not available. The figure used is an interpolation of 1926 and 1928.

TABLE 2

Ratio of Budget Expenditures to National Income
(millions of tugriks)

Year	Budget Expenditures	N'tl. Income	BE
1927	13.0	51.0	25
1930	26.9	85.5	31

Sources: Budgetary data from Table 3.

National income: 1927 - Botvinnik (1928),
pp. 1-20
1930 - SSE, p. 535.

For purposes of comparison, the following estimates are submitted for the United States and the USSR:

Year	U. S.	U. S. S. R.
	BE/NI	
1937	17.1	36.7
1948	23.1	49.9

Source: Bergson and Heymann, p. 88.

It appears probable that the MPR ratio, if it could be calculated for a more recent year, would be higher than the estimates presented for 1927 and 1930, since the state has continued to increase its role in the Mongolian economy over the years. If so, government intervention in Mongolian life would seem to be much greater than in the United States, and of the same order of magnitude as in the USSR.

II. BUDGET EXPENDITURES

Expenditure Categories

Budgetary expenditures may be subdivided into the following major categories: financing the national economy, social-cultural expenditures, expenditures on administration, on defense, and on other or miscellaneous items.

Expenditures on the national economy are subdivided by destination, in the budget laws, as follows: industry; trade; livestock; agriculture and transportation; construction; public services; and others. A glance at Tables 3 through 10 indicates, however, that in practice, data have been made available only for industry and livestock. Although there is no explicit indication as to the precise nature of these expenditures, investment in fixed and working capital is, no doubt, a major component. This is deduced as follows. Data for investment have been broken down for a couple of years into investment financed by the budget and that financed by enterprise funds. In the projected budget for 1953, for example, of a total investment of 90.0 mn. tugriks, 71.7 mn. was to be financed through the budget. This amounts to almost three-fifths of total expenditures on the national economy which were planned at 123.5 mn. tugriks in 1953. Since most of the nation's investment is

* From now on we refer only to the unified budget

likely to have been directed at the national economy, it can be assumed that half or more of the expenditures on the national economy consists of investment in fixed and working capital. There is no indication in the literature as to the nature of the remaining expenditures on the national economy; Soviet practice here would appear to be a good guide, however. In addition to investment in fixed and working capital, Soviet expenditures on the national economy are classified as follows: (1) subsidies to some state enterprises designed to keep prices below costs and to offset unplanned losses, (2) expenditures on enterprises and organizations which may be included in the budget on a gross basis (e. g. the post office) and (3) expenditures for: training workers, scientific research, geological exploration, and other projects which are not likely to be part of the normal expenses of production of individual enterprises. (Holzman, 1953, p. 239). Since (3) is not apt to be a very large item, most of the remaining expenditures must fall in (1) and/or (2). Returning to investment for a moment, it seems probable that the funds are advanced as gifts or subsidies to state enterprises rather than on a credit basis since there is no evidence whatsoever that repayment is required. This also follows the Soviet practice. Some investment is financed by the Mongolbank, however, as well as from the retained profits of state and other enterprises; neither of these categories appears in the budget accounts.

Expenditures on social and cultural items

are predominantly (eighty to ninety percent) for education and health purposes. Expenditures on these categories presumably include: the pay-rolls of teachers, doctors, nurses, librarians, etc.; supplies for and upkeep of schools, libraries, clubs, nurseries, hospitals, etc.; possibly some construction (although this may be included under national economy: construction). The remaining social and cultural items are: art, science, and social security and social insurance. Art and science expenditures are self-explanatory. Social security and social insurance include: relief for temporary work disability, old age and invalid pensions, medical assistance, other assistance (burial, feeding of children, etc). (For details, see the statute on "On Social Insurance in the MPR" of January 22, 1942). According to the law the funds collected through the social insurance markup or payroll tax (below) are to be earmarked for those items mentioned above which are connected with the individual's work experience, are to be paid by the employer (or employing unit), and are to be supervised by the Central Council of Professional Unions. These funds constitute, in effect, the social insurance budget referred to earlier.

Defense and administration are the remaining two major expenditure categories. Defense probably includes, as in most other countries, the expenditures of the government department in charge of military operations. The major items in this category would be, then, the military pay-

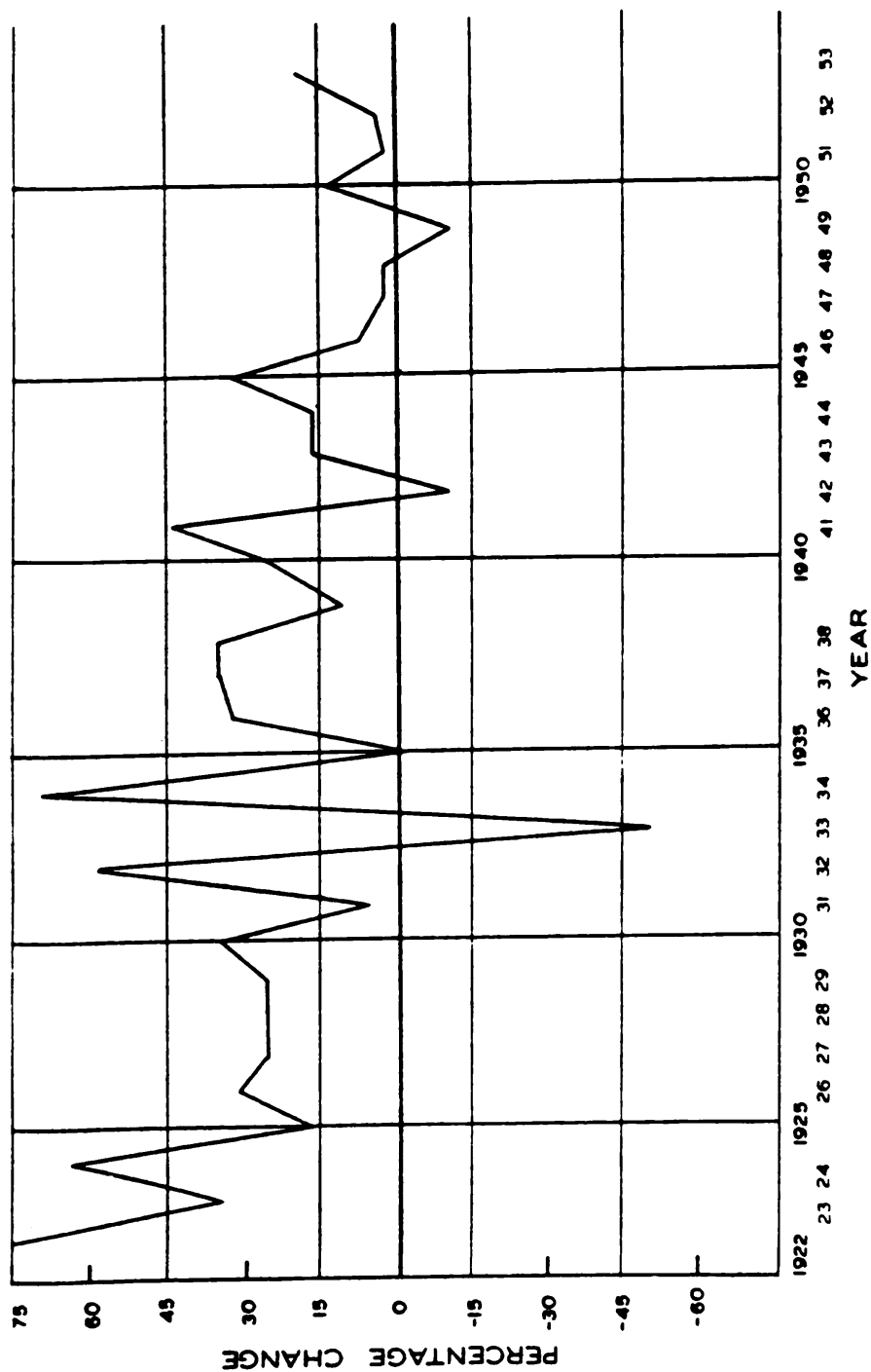
roll, the cost of feeding, clothing, and housing troops, and the procurement of guns, tanks, and other material. Probably not included here, but under national economy, would be investments in plant and equipment to produce matériel. It has been alleged (David J. Dallin, Soviet Russia and the Far East, New Haven, Yale University Press, 1948) that the Soviets contribute support to the Mongolian military establishment. Such support has not been acknowledged by the Mongolians nor can it be distinguished in the budgetary accounts. If this support comes in the form of below-cost prices for Soviet material purchased by the MPR Ministry of Defense, this would be reflected in the budget simply as a smaller figure for defense expenditures than if the full price had had to be paid; or perhaps the defense figure would have remained roughly the same but a larger quantity would have been purchased. (Other accounting arrangements are possible such as if the Ministry of Foreign Trade had purchased the matériel and then resold it to the Ministry of Defense. But there is not much point in following through the impact of all these arrangements on the budget in view of the fact that the budget accounts are not presented in sufficient detail to make analysis possible). Administrative expenditures include, as is usual, the costs of supporting the government in the performance of its traditional functions, i. e., paying the expenses of the normal government departments. This includes, in the MPR, the purely administrative expenses of the Ministry of Defense.

All remaining expenditures are included in the "other" category and, with a few exceptions dating back to the 1920s, are not quantified in the available published literature. Among these items are: the loan service on the national debt, expenses connected with the operations of the State Treasury (loans, purchase of precious metals), the reserve fund of the Council of Ministers and of aimak and city agencies (the purposes of these funds are obscure), and others. The sheer size of the other category, especially in recent years, leads us to believe that it includes additional, and possibly important, items concerning which we have no information.

Trends in Total Expenditures.

The budget of "independent" Mongolia dates from 1921 at which times collections and disbursements were somewhat centralized. The budgets for earlier years were destroyed by fire; the only information remaining on them is contained in Maiskii. His figures are for the central government only, and the central budget in those years was not a very significant proportion of the total.

The budget year before 1925 was from March 1 to March 1 and was in terms of Chinese-Mexican dollars. All estimates for these years constitute conversions by Russian writers to a calendar year basis, and by Russians and the present writer to tugriks. (Tugarinov, 1926, pp. 169-171 and Tugarinov, 1928, p. 249).



The total expenditures of the MPR have shown a 250-fold increase over the past thirty years rising almost continuously from 1.7^{mn} tugrik in 1921 to 432.2^{mn} (plan) in 1953 (See tables 3-10). Analytically speaking, four factors can be considered to have been primarily responsible for this increase:

- 1) Cost or price inflation;
- 2) Relative increase in government economic activity as a proportion of the total economic activity of the nation (i. e. , increase in the ratio BE/NI);
- 3) Increase in the real national income;
- 4) Possible changes in budgetary accounting procedures. *

* This could work to increase or decrease the size of the budget, of course, An example of this kind of change taken from Soviet experience was placing the machine tractor stations, which had operated on an independent financial basis before 1938 paying their expenses with their receipts, in the budget on a gross basis like the U. S. post office. Another is the inclusion in the Soviet budget after 1953 of the price cuts to consumer designated as expenditures on household welfare. The major example in the case of the MPR is the shift from taxes in kind which are not always reflected in the budget to monetary taxes which are so reflected.

Unfortunately we have so little information with regard to the importance of any of these factors that very little analysis is possible. A few observations may be made, however. Very little of the increase can be attributed to increases in real national income. In any year, it is highly unlikely that more than five percent of the increase in budget expenditures could reflect real national income increases, and over the period as a whole, it is extremely doubtful that national income could have, let us say, tripled. Changes in budgetary accounting procedures likewise, though they might have been responsible for abrupt increases or decreases in the size of the budget in any particular year, are unlikely to have been responsible for more than a two-fold increase over the period in question. This increase would have had to come primarily from the shift from expenditures and taxes in kind to monetary expenditures. Since expenditures in kind not reflected in the budget probably were never larger in amount than budgeted expenditures, the increase from this source was undoubtedly offset in part by the gradual shift of state enterprises off the budget (on a gross basis) to an independent financial status. The relative increase in government activity (3) may have been a fairly substantial cause of the increase in the size of the budget particularly in the 1920s. If the budget had amounted to say, eight percent of national income in 1921, then the relative increase in government activity could have been responsible for

a three-fold increase in the budget by 1927 at which time the BE/NI ratio was estimated at 25.5 percent (above). But it seems highly dubious that the ratio could have much more than doubled since 1927: this would imply much greater control over the nomadic Mongolian economy than most observers would be willing to attribute to the Mongolian government. Assuming that the preceding factors had had the maximum effect described, this would still leave the one remaining factor, inflation, responsible for at least a ten-fold increase in budget expenditures.

Looked at by decades, the more than ten-fold increase in expenditures in the twenties outstrips the later periods. (This may be somewhat misleading as we shall indicate in a moment.) Most of this increase must have been caused by a combination of inflation and invasion of the economy by the government. In addition, in the late twenties, according to Ryzhik (Ryzhik, p. 176), there was a shift from in-kind to monetary taxes. The increase from 1931 to 1939 is roughly four-fold, with most of the increase occurring after 1935. With the exception of years 1931, 1933 and 1935, the thirties show about as much upward trend as the twenties. It is difficult to attribute such steady and substantial increases (after 1935) to any factor other than inflation. The rapid flip-flops of the early thirties are a real puzzle, however. Soviet writers have an "explanation" for the rapid increase from 1931 to 1932 and then equally sharp decline from 1932 to

1933. (The similar cycle over the next few years goes unexplained, however). They attribute the huge budget increase in 1932 to "left wing excesses" (Zlatkin, pp. 190 ff.). These refer, apparently, to the last-ditch efforts of the Mongolians to make a success of their abortive five-year plan (the five-year plan went into operation in 1930 but was scrapped in July, 1932 due to the strong resistance of the population as indicated by slaughter of livestock and so forth). Zlatkin offers only one clue as to how the "excesses" affected budget expenditures. He claims that the Mongolbank granted so much credit to socialist enterprise that inflation resulted. This indicates two possible causes of the 1932 budget increase: inflation and an increase in the share of the government sector in the national income. (The latter would only be reflected in the budget, however, if the credit granted by the Mongolbank had been explicitly accounted for in the budgetary accounts; of this we cannot be sure). Zlatkin's explanation is not completely satisfactory, of course. It does not explain for example why left-wing excesses in 1930 and 1931 did not lead to larger increases in expenditures! Unfortunately budget expenditure data are almost completely lacking for both 1932 and 1933 (as are receipts data) making it impossible to deduce from the statistics further hypotheses regarding the 1932 increase and the 1933 decline. The one reason which is given for the decline -- that it was a reaction in reverse to the excesses of 1932 which

led to the 1932 budget increase -- appears plausible. Scrapping of the five-year plan and reduction in credit made available to the socialized economy could have had a deflationary impact on prices and have involved a decline in the share in national income of the government sector.

There is less information on the 1934 increase and 1935 decline than for the preceding two years. Lacking information, it can only be hypothesized that perhaps 1934 was a reaction to the drastic deflation of 1933, the level of expenditures in 1934 amounting to only about one-third more than that of 1931 despite a seventy-two percent increase over 1933; and that 1935 was a reaction to 1934 during which things may have been a little "overdone". Absence of data for 1935 precludes any further explanation. From 1936 through 1941, the increase is both substantial and steady. This is followed by a ten percent decline in 1943 after which a somewhat slower rate of increase is initiated and continues right on through 1953 being interrupted only by a twelve percent decline in 1949. Undoubtedly, inflation was the major cause of the rapid increase from 1936 to 1941. However, the sharp increases in social-cultural and defense expenditures in this period along with sustained expenditures on the national economy suggests that the government share of the national output may have been increasing in this period. The relatively slower increase after 1943 implies a decline in inflationary pressures and possibly, after 1946, some decline in the rate of increase of

government activity. Both of these possibilities are suggested by the fact that the government was able to reduce the prices of goods sold to the population in the years 1946, 1947, 1948 and 1954. (See "Money, Banking and Fiscal Policy", below). Probably the primary reason for the decline in the rate of increase of government activity was the rapid decline in defense expenditures from 113million tugriks in 1946 to 50million in 1953 (plan). Since Mongolian financial experience so closely parallels Soviet experience, we are moved to suggest that the reduction in Mongolian inflation may also reflect increased control over workers and wage levels. In fact, work books are reported to have been introduced in the postwar period. This certainly was the major factor responsible for the elimination by the Soviets of inflation in the post-war period. (Holzman, 1955, chapters 2 and 11).

One minor factor remains to be mentioned. The Mongolians apparently have increased the centralization of their investment expenditures. This is indicated by the fact that while in 1944, thirty percent of capital investment was financed by enterprises out of their profits, and seventy percent went through the budget, the ratio had changed by 1953 (plan) to twenty and eighty percent respectively.

Trends in Relative Expenditures.

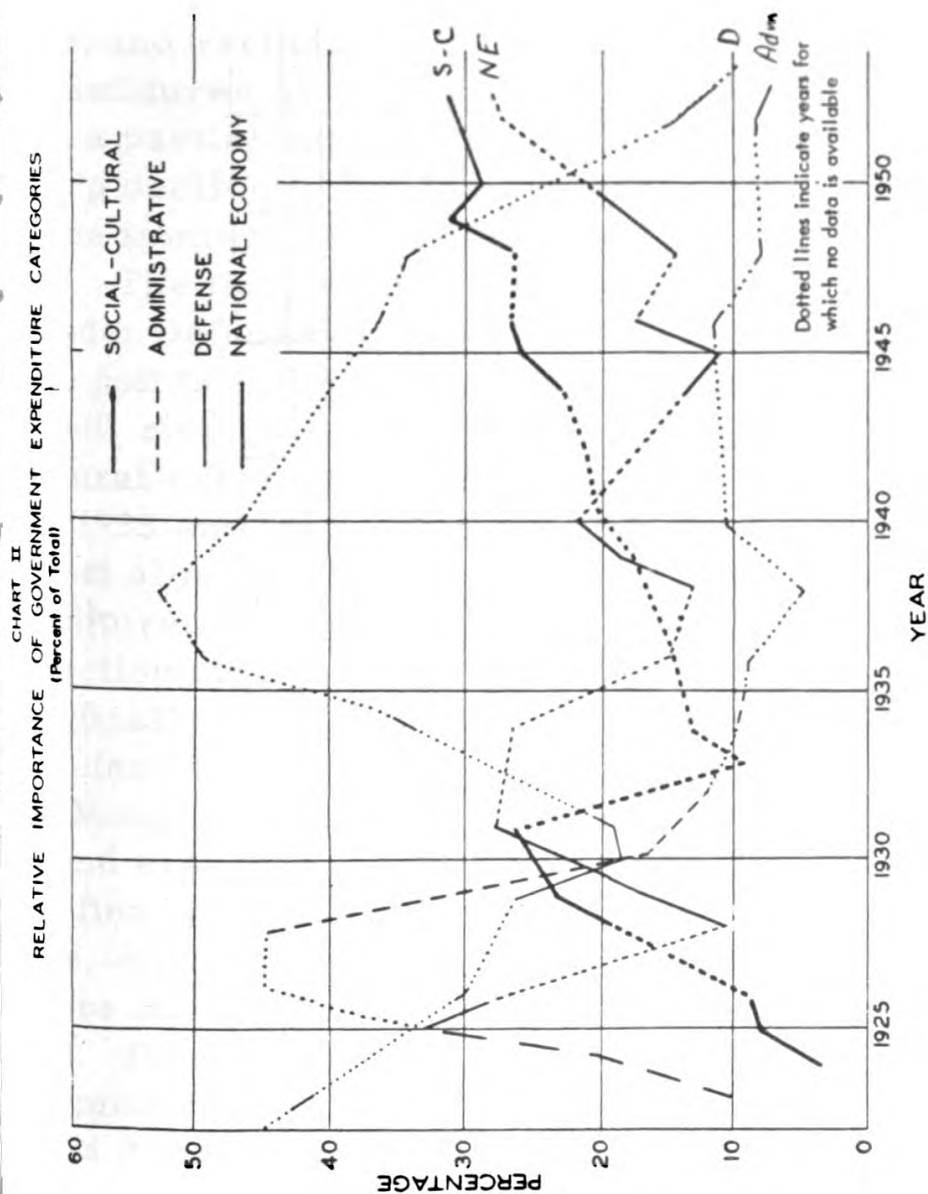
Several clearly discernible cycles in the relative importance of the major expenditure categories occur in the period 1923-1953. These are visualized to best effect in Chart 2. The period from 1923 to 1930 is marked by several dramatic changes: a drastic and continuous decline in defense expenditures from forty-two to nineteen percent, a sharp and continuous rise in social-cultural expenditures, a sharp increase followed by a sharp decrease in administrative expenditures and an increase-decrease-increase in expenditures on the national economy. As we noted earlier, the role of the government in the economy probably increased very rapidly in the twenties as the economy and the nation became better organized. The rapid decline in the importance of defense expenditures probably reflects not an actual deemphasis of defense, although this may also have been true to a minor extent (absolute money expenditures on defense do increase threefold from 1923 to 1930), but rather the effect of government moving in and taking over responsibility for other phases of the economy heretofore in private hands. This would appear to be particularly true of social and cultural expenditures on education and health which increased very substantially indeed. The relative increase in administrative expenditures from 1923 to 1928 reflects the operation of two factors. As the government stepped in to increase control over the

TABLE 3
BUDGETARY EXPENDITURES AND CAPITAL INVESTMENT OF THE
MONGOLIAN PEOPLE'S REPUBLIC

1921 - 1930
(millions of tugriks)

	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930
Total Expenditures	1. 722	3. 038	4. 188* 4. 095	6. 727	7. 900	10. 400		15. 700	19. 900	26. 900
Annual Increase in Percent		76. 4%	34. 8%	64. 8%	17. 4%	31. 6%	52%/2		26. 8%	35. 2%
National Economy			0. 460* 0. 618	1. 302 0. 676	2. 664	2. 836		1. 600	3. 400	5. 900
Industry				. 719			0. 098	0. 458	1. 281	0. 689
Livestock						2. 100				
Social-Cultural				0. 224				2. 820	4. 600	6. 800
Education			. 212* 0. 073	0. 216	0. 500	. 423				3. 5 to 4. 8
Health				. 034	1/2 Year 0. 100	0. 282				1. 5 to 2. 0
Science	0. 004									
Education & Science				. 384	. 484	. 715				
Administration			. 326*			4. 600		7. 200	6. 300	4. 700
Defense			1. 752*			3. 184			5. 200	5. 000 ^P
Other Expenditures									0. 400	4. 500 ^P
Special Fund										2. 800
Loan Service			. 293*							
Credit Operations			. 895*							0. 925 ^P

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TABLE 4
SUBSIDIARY EXPENDITURES OF THE MONGOLIAN PEOPLE'S REPUBLIC

1921 - 1930
 as Percent of Total

	1923	1924	1925	1926	1928	1929	1930
National Economy	11.0*	19.4	33.7	27.3	10.2	17.1	21.9
Industry		10.0					
Livestock		10.7			2.9	6.4	2.6
Social-Cultural				20.2			
Education	5.1*	3.3			18.0	23.1	25.3
Health		3.2	6.3	4.1			13.0 - 17.8
Education & Science		0.1	1.3	2.7			5.6 - 7.4
Administration		5.7	6.1	6.9?			
Defense	7.8*			44.2	45.9	31.6	17.5
Other Expenditures	41.8*			30.6		26.1	18.6
Special Fund						2.1	16.7
Loan Service	7.0*						10.4
Credit Operations	21.4*						3.4

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economy, costs of administration naturally increased. In addition, it has been asserted that in the early twenties, many economic expenditures were classified under administration. This might be a partial explanation of the drop in expenditures on the national economy from 1925 to 1928; and reclassification of many administrative expenditures as economic after 1928 may constitute a partial explanation of the simultaneous sharp decline in the former and rise in the latter in the immediate subsequent years.

The thirties are marked by the following trends: Defense climbs some thirty-five percentage points, administration continues to decline (albeit rising slightly from 1938 to 1940), social-cultural expenditures drop abruptly between 1931 and 1933 and then begin a climb which is maintained almost continuously up to the present, expenditures on the national economy again change direction three times first rising, then falling, and finally rising again. The overwhelming rise in defense expenditures without doubt represents the Mongolian reaction to Japanese military build-up and expansion into Manchuria, Inner Mongolia, and finally the actual skirmishing between Japanese, on the one hand, and Soviet and Mongolian troops on the other, on the Mongolian border in 1939. (Vargin-Zlatkin, p. 231). After the 1939 skirmish in which the Soviet-Mongolian troops won a decisive victory, the Japanese turned their interests to the south and east with the result that the MPR was able to allow some reduction in its

defense expenditures. Expenditures on the national economy appear to be inversely correlated with defense expenditures in the thirties, declining from 1931 to 1938 and rising from 1938 to 1940. This is to be expected. A government which undertakes heavy defense expenditures usually has to cut back other activities; typically investment in the national economy suffers most because of the close substitutability of resources between the two sectors (tractors-tanks, worker soldiers, etc.). No explanation is offered for the sharp drop in social-cultural expenditures between 1931 and 1933. The steady rise, thereafter is typical of the pattern of countries in the Soviet orbit.

Trends as indicated on Chart 2 may be very misleading for the 1940s because of the absence of data for consecutive years. Thus, while defense shows a decline from 1940 to 1946, an increase reflecting the MPR's expectations concerning World War II may have occurred somewhere between these years. Similarly with other expenditure categories. Generally speaking this period appears to have been characterized by a decline in defense and national economy and a rise in social-cultural expenditures. From 1946 to 1953, expenditures on defense continue to decline and social-cultural expenditures continue to rise. Expenditures on the national economy increase quite steadily again after 1945 with the exception of the year 1948. This reflects, no doubt, both the substitution of investment for

TABLE 5
BUDGETARY EXPENDITURES AND CAPITAL INVESTMENT OF
THE MONGOLIAN PEOPLE'S REPUBLIC

1931 - 1939

(millions of tugriks)

	1931	1932	1933	1934	1935	1936	1937	1938	1939
Total Expenditures	28.3	45.0	22.0	37.5	36.4	48.3	65.4	88.9	97.8
Annual Increase (in percent)	5.2%	59.0%	-51.1%	70.5%	-2.9%	32.7%	35.4%	35.9%	10.0%
National Economy	7.9			9.9		7.3		11.6	18.4
Livestock							4.3	5.5	2.8
Hay-making machines									3.0
Industry	3.8	3.6							
Social-Cultural	7.5			5.0		7.0		14.4	17.1
Education	*		2.0	2.0		3.1	6.2	5.3	7.0
Health	2.4 P			2.4			3.5	6.5	
Science Committee			0.5						
Administrative	4.0 P	5.4		3.7		3.9?		4.4?	
Defense	5.4 P			18.0		23.8		46.8	
Other	3.5			5.9		6.3		11.7	
Local Budgets					7.4			11.3	

* See Appendix

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TABLE 6
BUDGETARY EXPENDITURES OF THE MONGOLIAN PEOPLE'S REPUBLIC

1931 - 1939

as Percent of Total

	1931	1932	1933	1934	1935	1936	1937	1938	1939
National Economy									
Livestock	27.9			26.4		15.1		13.0	18.8
Hay-making machines							6.6	6.2	2.9
Industry	13.4	8.0							3.1
Social-Cultural	26.5		9.1	13.3		14.5		16.2	17.5
Education				5.3		6.4	9.5	6.0	7.2
Health	8.5			6.4			5.4	7.3	
Science Committee			2.3						
Administrative	14.1	12.0		9.9		8.17		4.97	
Defense	19.1			34.7		49.3		52.6	
Other	12.4			15.7		13.0		13.3	
Local Budgets					20.3			12.7	

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defense expenditures as well as the impact on the budget of implementing the First Five Year Plan (1948-1952). Administrative expenditures behave quite characteristically after 1940, declining at a very slow rate.

Before leaving expenditures, budgetary data for the period of Mongolian Autonomy are presented for comparison purposes. These expenditures present quite a different pattern from those of the post-1921 period. Administrative expenditures loom quite large, constituting the first two and part of the third items. Defense is also quite a substantial item. The reform fund and princes' pensions no longer appear in the budget, of course. The fund has a potpourri of items, about two-fifths of which was devoted to various governmental reforms and to the support of the Russian Advisory Commission on reform; much of the remainder was spent on the support of government enterprises such as the post office, coal shafts, and so forth. An insignificant fraction of the fund was spent on veterinary services and a similar fraction on education. Present Soviet writers stress the fact that these items were small and that the budget contained no expenditures at all for health.

TABLE 7
BUDGETARY EXPENDITURES AND CAPITAL INVESTMENT OF THE MONGOLIAN PEOPLE'S REPUBLIC

1940 - 1945
(millions of tugriks)

	1940	1941	1942	1943	1944	1945
Total Expenditures	122.1	176.8	158.0	185.4	217.2	287.7
Annual Increase (in percent)	24.8%	44.8%	-10.6%	17.3%	17.2%	32.5%
National Economy & Social-Cultural		70.7	54.4	58.1	78.8	107.0
National Economy	26.7	See above	See above	See above	Less than 28.8	33.1
Social and Cultural	24.1	See above	See above	See above	More than 50.0	73.9
Education	10.0		15.0			
Health	12.9					
Administration	10.0					
Defense	8.4					
Other (residual)	12.7	89.8	90.0	107.8	120.6	141.8
Local Budget	56.9					
Capital Investment - Total	17.0	16.3	13.6	19.5	17.8	38.9
Budget Funds	18.9		22.9			
Enterprise Funds	39.8					41.1
					70.0%	30.0%

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TABLE 8
BUDGETARY EXPENDITURES OF THE MONGOLIAN PEOPLE'S REPUBLIC

1940 - 1945

As percent of total

	1940	1941	1942	1943	1944	1945
National Economy & Social-Cultural		40.0	34.4	31.3	26.3	37.2
National Economy	21.9				13.3	11.5
Social and Cultural	19.7				23.0	25.7
Education	8.2		9.5			
Health	10.6					
Administration	8.2					
Defense	6.9					
Other	10.4	50.8	57.0	58.1	55.5	40.3
Local Budget	46.6					
Capital Investment - Total	13.9	9.2	8.6	10.5	8.2	13.5
Budget Funds	15.5		14.5			
Enterprise Funds					70.0	30.0

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TABLE 9
BUDGETARY EXPENDITURES AND CAPITAL INVESTMENT OF THE MONGOLIAN PEOPLE'S REPUBLIC

1946 - 1953 (millions of tugriks)								
	1946	1948	1949	1950	1951	1952	Plan 1953	
Total Expenditures	309.3	329.2 P 320.9 P	290.1	337.3	346.4 P	364.1	432.2 P	
Annual Increase (in percent)	7.5%	6.4%/2	-11.9%	16.3%	2.7%	5.1%	18.7%	
National Economy	54.1	47.7 P	For years of 1949, 1950, 1951 - 261.4		98.7	123.5 P		
Livestock		For years through 1948 - 1952: 97.7						
Grain & Livestock					10.0+			
Social-Cultural Needs	82.5	84.3 P	90.9	100.4	103.9	111.2	136.1 P	
Education			77.4?	42.5			72.3 P	
Health				47.2+	*		36.5 P	
Social Security and Social Insurance	12.7				19.0			
Science					2.5			
Art		12.0						
Administration	35.8	26.5 P				31.2	33.6 P	
Defense	112.6	110.1 P				53.4	50.0 P	
Other	24.3	52.3				69.6	89.0	
Local Budget			69.6	91.1				

(continued)

(continued)

TABLE 9 Continued
BUDGETARY EXPENDITURES AND CAPITAL INVESTMENT OF THE MONGOLIAN PEOPLE'S REPUBLIC
1946 - 1953
(millions of tugriks)

	1946	1947	1948	1949	1950	1951	1952	1953 Plan
Health								
Education					65.7			68.1%
Capital Investment Total					55.5			90.0P
Budget Funds								71.7P
Enterprise Funds								18.3P

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TABLE 10
BUDGETARY EXPENDITURES OF THE MONGOLIAN PEOPLE'S REPUBLIC
1946 - 1953
As percent of total

	1946	1948	1949	1950	1951	1952	Plan 1953
National Economy	17.5	14.9 P				27.1	28.6 P
Grain & Livestock					2.9†		
Social-Cultural Needs	26.7	26.3 P	31.3	29.8	30.0	30.5	31.5 P
Education			26.7	12.6			16.7 P
Health				14.0			8.4 P
Social Security and Social Insurance	4.1				5.5		
Science					0.7		
Administration	11.5	8.3 P				8.6	7.8 P
Defense	36.4	34.3 P				14.7	11.6 P
Other	7.9	16.2				19.1	20.5
Local Budget			24.0	27.0	26.3		
Health and Education				72.1			66.1
Capital Investment - Total							
Budget Funds							79.7 P
Enterprise Funds							20.3 P

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TABLE 11
BUDGETARY EXPENDITURES OF MONGOLIA DURING
AUTONOMY
(as percent of total)

CENTRAL GOVERNMENT BUDGET

	1913/14	1914/15	1915/16	1916/17	1917/18
Administration of central institutions	22.2	19.2	18.8	18.1	17.5
Administration of provincial institutions	2.5	2.4	2.2	2.9	3.4
Clerical and economy expenditures	23.7	20.4	18.5	20.1	11.4
Defense	27.8	24.0	21.9	21.3	25.3
Princes' pensions	10.0	8.5	7.8	8.4	8.3
Reform funds	13.8	25.5	30.9	29.2	34.1

Source: Maiskii, p. 283; also Zlatkin, p. 97. The writer has many qualifications concerning the absolute data from which these percentages were calculated. Many of the figures seemed "normative" or planned -- since they were rounded and did not change from year to year. It should also be noted that the central budget was only a small part of total expenditures, as noted in the text earlier, local budgets making up the bulk. For 1916, Zlatkin, p. 99, gives the following breakdown for local or hoshun budgets (major items only):

urton services - 36 %
liquidating hoshun debt - 20,8 %
religious needs - 14, 3 %
defense - 9 %

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III. BUDGET REVENUES

Present Structure of Taxes

The major receipts items in the Mongolian budget are: the turnover tax, profits tax (deductions from profits), livestock tax, direct taxes on the non-agricultural population, sales of government bonds and of lottery tickets to the population and the social insurance markup or payroll tax. The above taxes will be described directly below after which historical trends in tax forms will be traced briefly and the system evaluated. The data are presented in Tables 17 through 24.

The outstanding feature of Mongolian tax structure is the predominance of commodity or indirect taxes: the turnover, profits, and payroll taxes. Commodity taxes are defined here as price-increasing taxes as opposed to direct or income-reducing taxes. At present these amount to about two-thirds of total budgetary receipts. The turnover tax is the most important of the commodity taxes and by itself provides the state with half of its revenue. The turnover tax is levied on goods, livestock, and services sold by state and cooperative enterprises and organizations. (For details, see the law of August 2, 1943 "On the Turnover Tax Levied on State and Cooperative Enterprises and Organizations.") Exemptions are provided for organizations and enterprises which are engaged in activities the state is anxious to foster (coal and gold mining, collecting and processing mushrooms, etc.) and for some organizations engaged in social-cultural

type activities. Specific exemptions until further notice were provided in the resolution of August 6, 1943 for certain organizations dealing with grain, livestock, and transportation. (See Resolution of the Council of Ministers, MPR, "On the Establishment of Turnover Tax Rates in Relation to State and Cooperative Enterprises and Organizations."). On the other hand, certain organizations which do not sell goods (such as credit institutions) are subject to the tax. Provision is also made to exempt organizations and enterprises from taxation where such taxation would involve a pyramiding of taxes on the same commodity. This so-called single stage taxation is effected by the Soviets by exempting from taxation all intermediate goods and services and levying the tax on final outputs only. It is not clear how the Mongols handle this problem. In the case of the consumers' cooperatives, especially, there would appear to be the possibility of considerable pyramiding, if the wording of the law is not misleading. It reads: "The sale value of all goods sold. . . is recognized as the taxable turnover throughout all trade links of the consumers' cooperatives." (Author's italics). (See the Law of August 2, 1953, Article 4). Taxable turnover is generally defined as the sale value of all goods produced or gross receipts except for enterprises with a heterogeneous product-mix in which case separate rates of tax may be applied to individual commodities based on commodity price. The tax rates currently in operation are presented in the

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Resolution of the Council of Ministers of August 6, 1943, and need not be repeated here in detail. The rates for most organizations and enterprises are less than 10 percent. The highest rates are: sale of beer - 60 percent, sale of wine - 43 percent, State Office of Medical Supply - 35 percent, State Office of Supply and Trade - 20 percent. These rates stand in contrast to the Soviet pattern. While the Soviets levy a very low rate of tax on producers' goods and on certain types of consumers' goods, a very large number of consumers' goods are taxed at high rates ranging from 40 to 90 percent of price. (Holzman, 1955, chapter 6). It is strange, indeed, that the Mongolian turnover tax with such relatively low rates should rank as high a percentage of total budget receipts as the Soviet turnover tax. This could only be the case if the Mongolian budget commanded a much smaller part of Mongolian national income than does the Soviet budget of Soviet national income. This may be the explanation. On the other hand, however, estimates of the average rates of turnover taxation presented in Table 12 are much higher than a perusal of individual rates would lead us to believe possible. The average rate of turnover tax may be computed as follows. The total value of commodities sold by state, cooperative, or private enterprises and organizations is estimated annually and is published under the designation: value of retail trade turnover. (See, however, qualifying note to Table 12). At the same time, almost all payments of

turnover and profits taxes are made on the basis of markups to goods which on the market are sold and appear in the retail trade turnover figures. Minor exceptions, such as gross income of credit institutions, were noted above. Analytically, therefore, the value of retail trade turnover can be broken down into two parts, one which reflects costs of production of the commodities sold, and the other which reflects taxes levied on those commodities, primarily turnover and profits taxes. The average rate of turnover taxation, then, is the ratio of the amount of the turnover tax to the market value of retail trade turnover; estimates are presented in col. 7 of Table 12. The figures indicate that the average rate of turnover taxation typically has been over 40 percent (from the average rate of commodity taxation as a whole in 1936 [col. 6] it can be inferred that the rate would have been less for that year had a turnover tax figure been available), and since 1945, probably over 50 percent. It is difficult to reconcile these estimates with the individual rates (above) as established by Mongolian law. One possible explanation is that the Mongolians apparently levy fairly large turnover and profits taxes on goods which are exported. The value of these commodities is probably not included in the retail trade turnover figure, but the taxes on them may be included in the appropriate categories of budget revenues. A similar effect might occur in the case of imports of producers' goods: the value of these goods, used primarily by the state, is prob-

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ably not included in the retail trade turnover figure, but the taxes (tariffs) on them are probably included in the appropriate categories of budget revenues. A similar effect might occur in the case of imports of producers' goods: the value of these goods, used primarily by the state, is probably not included in the retail trade turnover figures whereas customs receipts are reported as part of the turnover tax. The very sharp apparent rise in tax rates, and apparent decline in the cost-value of retail trade turnover described later, may be explained in part by the above-mentioned factors.

TABLE 12

The Major Commodity Taxes and Retail Trade Turnover of the MPR for Selected Years

Year	(1) Value of Retail Trade Turnover	(2) Turnover Tax	(3) Profits Tax	(4) Commodity Taxes (2) + (3)	(5) Cost of Retail Trade Turnover (1) — (4)	(6) Commodity Tax as Percent of Price (4) ÷ (1)	(7) Turnover Tax as Percent of Price (2) ÷ (1)	(8) Commodity Tax as Markup on Cost (4) ÷ (5)
	[in millions of tugriks]			[in percent]				
1930	36.5	--	--	9.7	26.8	26.8	--	36.2
1934	48.0	20.9	1.0	21.9	26.1	45.6	43.5	83.9
1936	90.0	--	--	22.3	67.7	24.8	--	32.9
1938	103.4	41.5	4.6	46.1	57.3	44.6	40.1	80.5
1940	156.8	64.7	9.7	74.4	82.4	47.4	41.2	90.3
1945	239.3	166.9	36.1	203.0	36.3	84.8	69.7	559.2
1948	318.0	(164.0)	(41.0)	205.0+	113.0	64.4	(51.6)	181.4
1950	319.7	(183.6)	(45.9)	229.5	90.2	71.8	(57.4)	254.4

Note: An important possible qualification of the validity of Columns 5-8 is contained in the text.

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Columns 2, 3, and 4 of Table 12 are taken from Tables 17 through 24, with the exception of the estimates of turnover and profits taxes for 1948 and 1950. These figures are derived by assuming that 80 percent of the total commodity taxes for those years are from turnover tax and the remaining 20 percent from the profits tax. This ratio is based on the 1945 ratio of 82 and 18 percent respectively, and the 1952 ratio of 77 and 23 percent, and is meant only as rough approximation.

Retail trade turnover figures are from the following sources:

- 1930 - Botvinnik, 1931, p. 9
- 1934 - Yakimov, 1954, p. 54
- 1936 - Vargin-Zlatkin, p. 211
- 1938 - " " " " " "
- 1940 - Stepanov, 1949, p. 7
- 1945 - Vargin-Zlatkin, 215.
- 1948 - Stepanov, p. 7; Maslennikov, p. 125
- 1950 - BSE, 1954, p. 205 states that 1951 figure of 351.7 is 10 percent increase over 1950.

It should be noted that the retail trade turnover figures may not be completely comparable. Complete value of retail trade turnover should include sales by state, cooperative, and private organizations and enterprises. In some cases the data presented may include only the first two of these. This would seem to be the case for the thirties. The data for the period after 1940 may also include private trade which amounted anywhere

from 5 to 15 percent of the total.

State and cooperative organizations and enterprises which are operated on an independent financial basis (i. e. , are not included in the budget on a gross basis as is, for example, the post office) have part of their profits deducted into the state budget. (See the law of January 4, 1948 "On Deductions from the Profits of State Cooperative and Public Enterprises and Organizations for Purposes of State Revenues. "). This deduction will be referred to here as a profits tax although in the case of state enterprises it is not a tax from the point of view of the enterprise (that is to say, the government cannot tax its own enterprises), but simply a transfer from one government account to another. On the other hand however, since the profits of state enterprises are made possible by raising prices charged to consumers, and are used for state purposes, the deduction can be looked upon as a form of commodity tax. (Two exceptions should be noted. First, some commodities upon which both turnover and profits taxes are levied are sold by state enterprises to other state enterprises and organizations; these are pure transfers in the government sector of the economy, the incidence of which is never on the consumer. Second, the prices of some commodities are probably set at below-cost levels; such enterprises would receive subsidies and may not have to pay profits taxes).

For purposes of analysis, profits may be

subdivided into two categories: those which are deducted into the budget and those which are retained by the enterprise. In 1941 and 1945, deductions amounted to 44.5 percent and 62.2 percent respectively of total profits. (See Table 22). Probably the major use of profits retained by the enterprise is to finance investment in plant and equipment. As we have⁹ seen (Tables 22 and 24), investment from enterprise funds constituted 30 percent of the total in 1944 and 20 percent in 1953 (plan). In addition, a small part of the retained profits of state enterprises is reserved for distribution among employees as a reward for exceptional achievement. (Tsaplin, p. 67. In the Soviet Union, incentive funds so distributed are held under the title "Director's Fund." Cf. Holzman, 1955, chapter 6). In the case of cooperatives it is possible that even a larger share of the profits which remain after the deduction into the budget are so distributed. The available literature makes no distinction in this respect, however, between state and cooperative enterprises. The procedure with respect to profits, probably similar to that in the Soviet Union, would appear to be as follows: prices are set (except in the case of enterprises enjoying subsidized prices) so as to assure an enterprise a certain profit after all costs of production and the turnover tax have been paid. Not less than 10 percent of this profit is deducted into the incentive fund. Whether or not the remainder is retained by the enterprise depends on the investment plan set by the

state for the enterprise: the enterprise is allowed to keep that part of the funds required to fulfill its investment plan; the surplus, if any, is deducted automatically into the budget along with the original 10 percent. This differs, of course, from the practice followed in most countries of taxing the profits of private enterprise according to some fixed schedule of rates. Presumably the Mongolian practice is similar to Soviet practice. (Examination of the data in Tables 21 and 22 casts some doubt on our presumption. Enterprise funds financed 30 percent of total capital investment in 1944. In 1945, total capital investment amounted to 41.1 mn. tugriks. Assuming little change between 1944 and 1945, there is the implication that 30 percent of 41.1 mn or about 12.0 mn tugriks of investment were financed from retained profits. But in 1945 retained profits amounted to 58.0-36.1 or 21.9 mn tugriks. A small part of the 21.9 was probably distributed to the workers; probably 6 to 10 mn tugriks remain to be accounted for. It is possible, of course, that 1944 and 1945 were not comparable years and that less than 30 percent of investment was financed out of retained profits. Another possible source of discrepancy could be the existence of a time lag between the receipt of profits and their deposit to the account of the state budget).

The third form of commodity tax levied on the Mongolian people is the social insurance markup. The markup is essentially a payroll tax and has been included in the budget since 1943.

Little is known about the tax except that "... payments are established on a percentage relation with paid wages..." and the amount of the tax depends "... on the degree of danger and harmfulness involved in the work." (See statute of January 22, 1942 "On Social Insurance in the MF Part I, Article 3). The law explicitly reserves these funds for the protection of employees; for this reason some may prefer to look upon the social insurance markup as a form of insurance rather than as a tax. On the average, the social insurance markup is estimated to have been between 3 and 5 percent of wages though for individual enterprises much greater variation undoubtedly existed. (This rough average is arrived at by examination of the payroll tax data for 1944 and 1951 of 4.4 and 8.5 mn tugriks respectively in conjunction with the total wage fund estimates of 105 and 135 mn tugriks for the years 1942 and 1945 respectively. The Soviet average ratio is about 5 percent while individual enterprise rates vary from 3.7 to 10.7 percent. Cf. Holzman, 1955, chapter 3).

Finally, all state and cooperative enterprises and organizations pay a license fee (patentnyi sbor). This fee appears to vary with the nature of the organization and its profitability. Trading enterprises are subdivided into 5 groups (according to profits or number of employees?), and pay fees varying from 100 to 2000 tugriks. Industrial enterprises are divided into 3 groups with fees from 100 to 1000 tugriks. In addition, 50

percent is added to all fees for use by local budget. (Tsapkin, p. 68).

The direct taxes are not very significant in the budget as a source of revenue. The most important of the direct taxes is the livestock tax. (Reference is the decree of June 7, 1950 "On the Approval of the New Law on the Livestock Tax." Minor changes appear to have been made in 1953 and 1954 but details are not available. [Cf. Yakimov, 1954, p. 55]). The importance of this tax derives from the fact that livestock raising is the major economic activity in the MPR. As in the Soviet case, however, the significance of the monetary tax on the agricultural (nomadic) population is reduced by the reliance of the state on in-kind taxes or so-called obligatory deliveries for part of the rural levy. (In the Soviet Union the obligatory deliveries are a substantially heavier drain on the agricultural population than are the monetary taxes. The reasons for use of the tax in kind in the USSR are analyzed in Holzman, 1955, pp. 82-86 and chapter 7). The livestock tax is levied on the arat farms, the arat production unions, and on state or cooperative farms except those under the jurisdiction of the Ministry of Livestock Raising. In order to encourage the arat production unions, their rate of tax is ten percent less than that for the other categories. Tax liability is estimated from the schedule of rates presented in Table 13. Since we have no information as to the value in tugriks of the various animals nor of the income which might be

expected from them, the absolute burden of the tax cannot be estimated. The tax gives the appearance of being moderately progressive, because the more animals one possesses, the higher the rate of tax per animal (Tsapkin, p. 68, stresses the progressivity of the tax). This picture is essentially spurious, however. The "real" progressivity of the schedules is reduced by the fact that in determining into which bracket a tax unit falls, no allowance is made for type of animal owned. Thus a person with 20 camels would be classed in the same bracket as a person with 20 goats even though the income from 20 camels might be, say, 12 times greater (using the tax liability ratio, 3 : 0.25) than that from 20 goats. In other words, a person owning 20 camels would be assumed to have as much income as a person owning, let us say, 240 goats. The camel owner would pay a 3-tugriks tax on each camel for a total tax of 60 tugriks. The goat herder, on the other hand, would pay 5 tugriks on the first 20 goats, 15 tugriks on the next 30, 37.5 tugriks on the next 50, 100 tugriks on the next 100, and 50 tugriks on the last 40; this adds up to a total of 207.5 tugriks or more than three times the amount paid by the owner of the camels. It is quite clear therefore, that if there is any tendency for households or organizations to own particular types of animals rather than an equal number of each, the tax is in fact highly regressive rather than progressive between broad main groups. Within groups, say among those who own mostly camels.

Table 13
The Livestock Tax, 1950
Tax Rates per Head (in tugriks)

No. of Livestock	Camels	Cattle	Horses	Sheep	Goats
Up to 20	3	1	2	0.50	0.25
21 to 50	5	2	4	0.75	0.50
51 to 100	6	4	5	1.00	0.75
101 to 200	7	5	6	1.50	1.00
201 to 500	8	6	7	1.75	1.25
501 or more	9	7	8	2.00	1.50

Source: Decree of June 7, 1950

or again those who own mostly goats, the tax is, of course, progressive. Interestingly enough, the rate of progression differs as between animals. The ratio of the high to the low rate varies as follows: cattle - 7; goats - 6; horses - 4; sheep - 4; and camels - 3. No attempt will be made here to explain this variation.

One other factor appears to reduce the progressivity (increases the regressivity) of the livestock tax, viz., the tax schedules would seem to place a relatively lower valuation on the more valuable forms of livestock than other measures of relative valuation. Two other sets of equivalents (called bodos) which are known are first, the one which was in common use before 1930 and probably reflected (and may still reflect) quite closely the preferences of the arats, and second, one suggested by the well-known Soviet authority on Mongolian livestock, Shulzhenko (p. 43).

These are:

Pre-1930: 14 goats = 7 sheep = 1 horse = 1 head of cattle = 1/2 camel.

Shulzhenko: . 75 goats = 1 sheep = 6 horses = 6 head of cattle = 12 camels.

Converting these two sets of equivalents and the 1950 tax schedules into comparable terms, with 1 goat as the basic unit, yields the results shown in Table 14. It seems clear that the tax schedules have an added element of regressivity in view of the fact that with the exception of sheep the more valuable forms of livestock are assessed at relatively lower rates (as indicated by other

TABLE 14
Livestock Equivalents in the MPR

	Goats	Sheep	Horses	Cattle	Camels
Pre-1930	1	2	14	14	28
Shulzhenko	1	1 1/3	9	9	16
1950 tax rates					
up to 20	1	2	4	8	12
21 to 50	1	1 1/2	4	8	10
51 to 100	1	1 1/3	5 1/3	6 2/3	8
101 to 200	1	1 1/2	5	6	8
201 to 500	1	1 3/5	4 4/5	5 3/5	6 2/5
over 501	1	1 1/3	4 2/3	5 1/3	6

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valuation schemes) than the less valuable. (That the range of equivalents becomes narrower with the exception of sheep as the number of animals owned increases reflects the fact, mentioned above, that the rate of progression differs between animals being higher for goats than for cattle, camels, and horses). From this it cannot be inferred that the government is motivated by inequalitarian considerations. More probably, questions of incentives are involved. The government is much more interested in horses and cattle and camels than it is in goats (which are not the most marketable of animals). The arats, on the other hand, find the goats very useful. The regressive tax schedule would appear to be essentially a device to encourage the raising of those animals receiving preferential rates and to discourage, relatively, the breeding of goats.

Another incentive device was introduced in the 1950 tax law. To encourage livestock breeding, all taxpaying units received reductions in liability if they succeeded in increasing their herds above the number in their possession on August 1 of the previous year. The schedule of reductions is presented in Table 15. The state's preference schedule is quite explicit, and differs somewhat from the preference scheme deduced above: cattle and sheep are encouraged most, horses least, goats and camels falling in between. It should be noted that the law stipulates that the above reductions are to apply only to taxpaying units "which (by means of solicitous care and pro-

TABLE 15
Reduction in Tax Liability for Increase in Herds, 1950

Increase in herd over August 1, previous year	Percent Reduction in Tax			
	Goats	Sheep	Horses	Cattle
15 - 20 %	15	25	10	25
21 - 30 %	25	50	15	50
over 31 %	50	100	25	100
				Camels
				15
				25
				50

Source: derived from decree of June 7, 1950

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tection of the herds from loss) exceed the state plan for development both in respect to quantity and in respect to all species of livestock. . . " (Decree of June 7, 1950). This qualification has a two-fold purpose: to prevent units from attempting to earn tax reductions (1) by increasing the number of their herds at the expense of the quality of the animals and (2) by increasing the number of one type of livestock at the expense of another. Either device, if used to earn a tax reduction, would essentially defeat the purpose of the law. Other exemptions from the tax should be mentioned: in typical Soviet fashion, "Heroes of the MPR" and their families are completely exempted; partial reductions are reserved for families with invalids, or many children; those who have recently suffered from natural calamities; and so forth.

The changes made in the livestock tax in 1953 are not available to us in detail. Yakimov (p. 55) asserts that new exemptions and reductions would reduce payments by 23 percent in 1954 relative to 1953. The nature of these changes is not made explicit.

The counterparts of the livestock tax on the rural population are the income taxes on persons working for state and cooperative enterprises and also those persons who are self-employed (e. g. , artisans). We have no information at all on these taxes with the exception of a few oblique references by Maslennikov. He describes the income tax as being: democratic like the livestock tax (he

refers primarily to the system of exemptions); progressive; not large for workers but larger for private traders, artisans not belonging to cooperatives, and persons not engaged in productive labor. This latter category may refer to persons earning their livelihood in the field of religion, speculation etc. (Maslennikov, pp. 138-139). It seems quite clear from the above brief description that the tax is patterned on the Soviet income tax. The Soviet income tax differs from the income taxes of most western nations in that it has four rate schedules (rather than just one), each applying to different economic and social groups. A worker earning a certain income under this system would pay a lower rate of tax than an artist, an artisan not belonging to a cooperative, a private trader, a priest, and so on. The rates on Soviet workers are progressive up to 13 percent on 12,000 rubles income after which the tax is proportional; other groups pay as much as 55-65 percent tax on very high incomes. Presumably the Mongolian income tax is similar. Comparison of the 1950 income tax figure with an estimated wage bill for the same year (extrapolating from 1942 and 1947 as above) suggests an average rate of tax of about 8 percent. This corresponds fairly closely with estimates of the Soviet average rate of tax. We have no clue at all as to the nature of the income and industrial tax on self-employed persons (Maslennikov simply presents the figure for 1950), although presumably it is related to the income tax on workers.

The final major item(s) on the receipts side

of the budget which remains to be discussed are the bond sales to the population and the money-goods lotteries. Once again we run into a relative absence of descriptive material; but once again there are indications that the Mongols follow Soviet practice. Similarities between Soviet and Mongolian practice are as follows:

- (1) Most (if not all) bonds are sold to the population (since 1939) and not to credit or other institutions or enterprises. These so-called "mass-subscription" loans were initiated by the MPR in 1939 (Iurev-Zlatkin, p. 164).
- (2) In recent years it appears that earnings on bonds have been discharged not in the form of regular interest payments but in the form of lotteries (in part since 1941) with a few people getting the entire amount of interest which comes due annually.*

*Actually it is not clear to me that the two systems are precisely the same. In the USSR, bonds are sold and the interest is distributed by lottery as indicated above. The individuals who don't win the lottery hold on to their bonds participating each year in the lottery either until they win or until the term of the bond is up and it is redeemed. It is possible that in the MPR, the lottery tickets are strictly lottery tickets, i. e., they are worthless after the drawing for prizes takes place.

It should also be noted that the winnings in the MPR are a combination of money and commodities; this was true for some wartime lotteries in the USSR but is no longer so.

- (3) The lottery tickets (and presumably the bonds as well) are subscribed to and then paid for by the population on the installment plan (Tsapkin, 1953, p. 69).

In the USSR, the usual practice in state and cooperative enterprises is to deduct the amount of subscription from the worker's wage in 10 equal monthly installments.

- (4) The bonds and lottery tickets are not treated in the budget as the balancing element between receipts and expenditures, being sold when receipts fail to cover expenditures and being retired when surpluses result, as is the case in most countries. Rather they constitute a regular item on the receipts side of the budget just like any tax.

At this point our information on Mongolian bonds ceases. However, it seems not at all unlikely that the following characteristics of Soviet bond sales to the population have also been adopted by the Mongols.

- (5) Bonds are not redeemable until maturity (20 years?) except for lottery winners.
- (6) Bonds are not purchased voluntarily by the population but under considerable social pressure particularly at place of employment. That the installment payments are deducted from wages at the source, and that the annual sales of bonds amounts to about as much as the annual income tax payments would seem to support this inference. Certainly in a country as poor as

the MPR, the population would not voluntarily purchase such a large quantity of bonds each year. The compulsory element is further attested to by the fact that the government depends upon, and succeeds in selling each year a fairly constant value of bonds and/or lottery tickets to the population. It is highly unlikely that this would be possible if the bonds were sold on a strictly voluntary basis.

It is important to note that bonds which are not sold on a completely voluntary basis have an element of "tax" in them. A fairly large tax element has been ascribed to bonds sold in the USSR in the prewar period; the tax element would appear to have been somewhat reduced in the postwar period by the fact that the Soviets have eliminated inflation from the consumers' goods markets. There is not enough information to enable us to hazard guesses about the tax element in Mongolian bonds; but postwar price cuts should have reduced it somewhat also.

Other sources of budgetary revenue are relatively minor. These include such collections as stumpage fees, stamp duty, passport fees, the free resources of Gosstrakh (state insurance agency), and income of enterprises in the budget on a gross basis (Tsapkin, 1953, p. 69). Customs receipts are included in the turnover tax.

Brief History of Taxes and Tax Structure

The type of taxes levied in the MPR has changed over time with economic developments, changes in government objectives, and changes in Soviet influence. The taxes just described are simply the end-product, at present, of almost four decades of change.

In the period of Mongolian autonomy the principal source of revenue was borrowing from Tsarist Russia. That more than half of the central government's receipts was from this source suggests the influence the Russians wielded in Autonomous Mongolia. Of the ordinary sources of revenue, 75 percent was from tariffs. Peculiarly enough, these tariffs were levied not only on imports and exports in and out of the country, but also on transfers of goods between regions within Mongolia. These internal collections, the first ever made, were suggested by the Russian Advisory Council. The internal Tariff seriously hindered interregional trade and the development of a single market in Mongolia (Maiskii, p. 282; Zlatkin, pp. 95-96). As might be expected, Russian traders were exempted, thereby gaining a strong advantage over Chinese and other rivals. In 1916, the tariff amounted to 5 percent of the market price of all commodities in internal and external trade. The increase in customs receipts from 1913 to 1918 was due, according to Zlatkin (pp. 95-96), to an increase in trade with China in this period. It is noteworthy that no direct money taxes were levied on the population during Autono-

TABLE 16
Central Government Revenues Under Autonomy

	1913 - 1914			1917 - 1918		
	Thousands of Rubles	% of Ordinary Income	% of Total Income	Thousands of Rubles	% of Ordinary Income	% of Total Income
Indirect taxes, mainly customs	486.7	72.2	17.9	1369.0	72.2	41.5
Rent from State Property (land, forest, etc.)	110.8	16.3	4.1	266.3	15.0	8.1
Mining Concessions	47.8	7.1	1.8	51.5	2.9	1.5
Receipts from state enterprises	28.0	4.2	1.0	83.6	4.7	2.6
Total Ordinary Income	673.4	99.8		1773.4	99.8	
Borrowing from Russia	2035.3		75.1	1518.7		46.1
Total Revenue	2708.7		99.9	3292.1		99.8

Source: Maiskii, p. 282.

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TABLE 17
STATE REVENUES OF THE MONGOLIAN PEOPLE'S REPUBLIC

1922-1930
(millions of tugriks)

	1922	1923	1924	1925	1926	1927	1928	1929	1930
Total Income	4. 518	4. 190	7. 487	8. 796	11. 638	70. 765			22. 900 P
Taxes Paid by Enterprises									
Income from State & Coop. Organizations			0. 170		1. 776				0. 975 P
Craft Tax on State & Coop. Organizations									1. 000
Indirect Taxes			4. 163		5. 175				7. 808 P
Tax on Private Enterprise		0. 098							
Customs		1. 619							
Direct Taxes or Taxes on Population									
From Arats			0. 314		. 700				7. 300 P
On Livestock	0. 895					4. 900			4. 000
On Monastery Cattle (djass)									2. 000
Craft Tax on Private Persons									2. 66
War Tax									0. 665
Borrowing		0. 696			0. 846				
Cash Balance from									

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TABLE 17 Continued

Republican Budget Local Budgets Profits of State and Coop. Enterprises	1922	1923	1924	1925	1926	1927	1928	1929	1930
						12,200	13,300	14,500	15,800
									7,100
								-0.084	

NOTES: 1. Many of the tax categories presented here are not clearly defined in the sources. For example, the distinction, if any, between direct taxes and taxes on the population is not known. Similarly with indirect taxes and the craft tax in state and cooperative organizations.

2. Not enough data were available to warrant the computation of the category, other income.

3. Although the data gaps are large, rough approximations, not attempted here, would appear justifiable. For example, total income for 1929 would be estimated from the Republican budget of 1929 by multiplying it by the 1930 ratio of total income: Republican budget.

4. Figures followed by the superscript "P" are planned rather than realized.

5. Before using any figure, footnotes should be checked for qualifications.

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TABLE 28
STATE REVENUES OF THE MONGOLIAN PEOPLE'S REPUBLIC

1922 - 1930
(percentages)

	1923	1924	1926	1928	1930
Taxes paid by Enterprises					
Income from State and Cooperative Organizations		2.3	15.3		4.3
Craft Tax on State and Cooperative Organizations					4.4
Indirect Taxes		55.6	44.5		34.1
Tax on Private Enterprise	2.3				
Customs	38.6				
Direct Taxes or					31.9
Taxes on Population		4.2	6.0	(almost) 50%	
From Arats				51.3	17.5
On Livestock	21.4				
On Monastery Cattle (djass)					8.7
Craft Tax on Private Persons					11.6
War Tax					2.9

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TABLE 18 Continued
(percentages)

	1923	1924	1926	1928	1930
Borrowing	16.6		7.3		
Republican Budget					69.0
Local Budgets					31.0

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The tax picture in the first half of the twenties is not clear at all. While data are presented for various receipts categories (Tables 17 and 18 these categories are not explained. While direct taxes make their first appearance and borrowing drops off sharply, indirect taxes, which are probably primarily customs receipts, provide the lion's share of budget receipts until 1926.

From 1925 to 1927, the tax system was reformed as part of the overall currency reform which took place at the same time (below). Much of the reform was administrative in nature. The power to tax was shifted from local governments to the central government, a strict division of functions between local and central government was established, local budgets were included officially in the unified budget, and tax uniformity between regions was established. (Zlatkin, pp. 171-174; Vargin-Zlatkin, p. 225). In addition, as part of the monetary reform, a shift was made from taxation in kind to taxation in monetary form and progressive income taxation was introduced. According to Zlatkin, this shifted the burden of taxation from the rich to the poor, who paid "insignificant taxes." (Zlatkin's judgment in this matter may not be reliable). One other important change was made: the internal tariffs which had tended to freeze trade were revoked in 1925 (Ryzhik, p. 175). The combination of introducing direct taxation, especially on the monasteries, and revoking the internal tariffs, may be the explana-

TABLE 19
STATE REVENUES OF THE MONGOLIAN PEOPLE'S REPUBLIC
1931 - 1939
(millions of tugriks)

	1931	1932	1933	1934	1935	1936	1937	1938	1939
Total Income		188.0		38.9	38.1	53.3	69.3	92.3	97.8
Income from State and Coop. Enterprises				21.9		22.3	25.6	46.1	
Turnover Tax (including budget markups)									
Customs				20.9				41.5	
Deduction from profits				1.0				4.6	
Craft Tax on State Enterprises	3.2	4.5	2.3						
Taxes on Population				5.7		12.6		24.2	20.0
From Arat households	4.3	1.8	2.3	2.0		3.57	7.17	14.67	
War Tax	1.1	0.8	0.4						
Craft Tax on Individuals	0.9	0.5	0.6						
Tax on Monastery Cattle (djaas)	2.3	0.4	1.0					2.0*	
Bond sales and Lotteries				0.1			*	0.2*	12.0

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TABLE 20
STATE REVENUES OF THE MONGOLIAN PEOPLE'S REPUBLIC

1931 - 1939

(Percentages)

	1932	1934	1936	1937	1938	1939
Income from State and Cooperative Organizations		56.3	41.8	36.9	50.1	
Turnover Tax (including budget markups)		53.8			45.1	
Customs						
Deduction from profits		2.5			5.0	
Craft Tax on State Enterprises	10.0					
Taxes on Population		14.6	23.6		26.3	20.4
From Arat households	4.0	5.0	6.6?	10.2?	15.8?	
War Tax	1.8					
Craft Tax on Individuals	1.1					
Tax on Monastery Cattle (djass)	0.9				2.2	
Bondsales and Lotteries		.3			.0.2	12.3

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tion of the rise in direct taxation to about one-half of total budget revenue in 1928, and corresponding decline in indirect taxes.

From about 1928 to 1931, there were several changes in the tax system which are associated with the period of so-called "left-wing excesses". Drastic taxes (craft and income taxes) were levied on "capitalist elements"-- persons engaging in private trade and private crafts, and on carriers or draymen -- with the purpose of limiting their activities. These taxes amounted to about half of the net income of these enterprises and were, according to Vargin (Vargin-Zlatkin, p. 226; also Zlatkin, p. 192) so prohibitive that within a year private traders had all but disappeared leaving Montsenkop a monopolist in the field. The output of craft items was also seriously reduced, contributing to the scarcity of consumers' goods in the early thirties and to the eventual downfall of the abortive first Five Year Plan.

Tax pressure on the monasteries was also increased. Not only were their cattle subject to higher taxes, levied were also placed on the houses of the lamas, on their domestic utensils and on objects of worship. In addition, part of their livestock appears to have been confiscated (Zlatkin, p. 190; Ryzhik, p. 177).

The arat households were subjected to a new tax in 1930 which was progressive and based on the value of arat property, presumably livestock (Zlatkin, p. 191). Those households with property worth more than 3000 tugriks (100 khub.) were

designated kulaks (in Soviet fashion), taxed very heavily and on an individual basis like "feudalist and capitalist elements", and deprived of many other rights to such an extent that they were deprived of stimulus to increase their herds.

The war tax appears to have been levied for the first time in 1930. This was essentially a progressive head tax on all males eligible for military service but not on active duty. It was directed primarily at the lamas, since they comprised the largest group of inactive (from the state's point of view) males in the country.

In 1931, the first step towards the introduction of sales taxation on a large scale was taken with the introduction of excises on basic commodities consumed by the arats, and a significant increase in existing indirect taxes (Vargin-Zlatkin, p. 226)

Finally, it should be mentioned that in 1932 expenditures of the state budget were so substantially in excess of normal receipts that the deficit had to be covered by issuance of currency by the Mongolbank (Vargin-Zlatkin, p. 226). The amount of new currency issued apparently was of sufficient magnitude that one Soviet writer is even willing to admit that it resulted in inflation (Zlatkin, p. 194)

The period of left-wing excesses may be summed up as follows. The Mongols were attempting, in much the same way as the Soviets, to limit the private and capitalist elements in both agriculture and industry, and to develop socialized enterprises in their place. This was a main theme of their abortive first Five Year Plan. Taxes serve

two functions in this scheme: first, as a device for discouraging or liquidating private enterprise; and second, to raise sufficient revenue to finance, without inflation, the new socialist sector. Apparently plans went astray; output declined so that returns from both direct and indirect taxes failed to increase as expected. Nevertheless funds were distributed very generously to the new socialized enterprises; (according to Zlatkin, [p. 194], loans to the socialist sector over the period 1930-32 were only 8 million tugriks. This doesn't appear to be extravagant. Possibly additional sums were distributed directly by the budget as subsidies). Expenditures outran revenues and resort was had to an inflationary currency-issue. For reasons discussed elsewhere, the plan was discarded in July, 1932; with it went much of the tax policy established as part of the plan.

In an attempt to repair the "damage done by the left deviationists", substantial changes in existing taxes were introduced in 1933 and 1934. The tax on arat households was reduced by about one-half, according to Zlatkin (p. 209); many poorer families were exempted from taxation, and others received large markdowns. The wealthy arat households were no longer discriminated against but taxed on much the same basis as other families. Zlatkin says (p. 209) that to encourage the growth of the herds, a progressive income tax was substituted for the primitive tax per head of livestock which had previously been in force.

(From an incentive point of view, a progressive tax is likely to be less stimulating than a tax per head of livestock which is basically proportional. See discussion of incentives below). The craft tax was overhauled so as to encourage rather than discourage or even prohibit private arat hauling, crafts work, and trade. Simultaneously, however, the consumer and craft cooperative associations were favored with relatively lower rates. The tax on monastery cattle was revised (1933) so as to exclude from taxation everything (especially religious objects) but cattle and other strictly economic artifacts. Finally the war tax was reduced by roughly one-half. The extent of these reductions is clearly indicated in the budgets of 1931-1933 (Table 19).

In 1935 the war tax and tax on arats were revised. The war tax was applied to all men from 18 to 45 not in the service and in general is reported to have tripled the rates for most categories. Specific rates are only available for the lamas, who were subdivided into three categories depending on social and property position. These rates were highly differentiated ranging from 70 tugriks a year on the highest lamas to 5 tugriks on the lowest, with those in between paying 30 tugriks. With the aim of encouraging lamas engaged in productive activity, those whose sole source of income was working as artisans or as employees of an enterprise were freed from the tax; and those who taught reading and writing received markdowns of from 30 to 50 percent. At the same

time lower lamas were encouraged to take up professions and to breed livestock; 5 year, 2 percent loans were made available to them by the Mongol-bank to enable them to get livestock and equipment. On the other hand, the higher lamas were subjected to a new income tax amounting to some 2 million tugriks and the tax on monastery herds was raised (Zlatkin, pp. 211, 223).

The tax on the arats was reduced in 1935, a measure commensurate with the encouragement of the lower lamas. The law completely freed from tax payments the poorer arat households (defined as those making less than 25 tugriks), established markdowns of up to 20 percent of tax liability for "weak" households, and gave additional exemptions for special measures taken to safeguard livestock offspring, for securing hay for cattle, for constructing wells, and so forth. In addition, long term credits were extended to arats for productive needs such as acquiring pedigree cattle, agricultural equipment, seeds, etc. (Tsaplin-Zlatkin, p. 110; BSE, 1938, 75).

We have no explanation for the tax trends for the period 1934 or 1935 to 1940. Indirect taxes collected from state and cooperative organizations decline from 56 percent in 1934 to 37 percent in 1937 and then rise again to 60 percent in 1940 (Tables 19 through 22). Corresponding to this trend is the very sharp decline and subsequent rise of the commodity tax elements (turnover plus profits taxes) in the retail trade turnover of the country (Table 12). The commodity tax falls in

relation to price (Column 6) from 46 percent in 1934 to 25 percent in 1936, then rising to 45 and 47 percent in 1938 and 1940 respectively. As a markup on cost, the movement is even more striking: 84, 33, 81, and 90 percent respectively. There is no indication in the literature that such sharp rate changes occurred. Taxes on the population rose from 15 percent in 1934 to 26 percent in 1938, declining to 19 percent in 1940. This does not mean that the population is paying a smaller amount directly into the budget, however; beginning in 1939, the mass sales of bonds to the population assume their regular place among budget receipts and amount to more than 10 percent of the total. The reasons for the above changes in percentage relationships are not clear from the description of the changes in the tax laws. There were, however, several changes in the 1939-41 period in addition to the introduction of the mass loans.

In 1940, a new law on the income tax was promulgated; we have, however, no description as to the nature of the tax. Presumably it was similar to the income tax now in force described earlier. In addition, following the Soviets, the Mongols levied a so-called cultural and housing tax (kul'tzhilsbor). The tax is supposed to be earmarked for cultural and welfare construction, as well as for health and education needs in general, and is levied as a markup on the income tax (Vargin-Zlatkin, p. 232). The Soviets eliminated the tax (or combined it with the income tax) in 1941 on the sensible grounds that having two taxes of

the same nature was responsible for unnecessary administrative expenditures. We do not know whether the Mongolian tax is still in force.

In 1940, the present profits tax on state and cooperative enterprises was introduced. It replaced what had been until 1940 a so-called income tax of 15 percent. (Tsapkin, 1953, p. 67)

In February of 1941, the tax on arat households or livestock tax was once again revised. According to Zlatkin, the law of 1935 had been outmoded by changes in the livestock and agricultural economies, especially the increase in the percentage of commodities sold on the market which caused a large increase in money incomes (Zlatkin, p. 255). According to both Zlatkin and Vargin (Zlatkin, p. 255; Vargin-Zlatkin, p. 233), the new tax was distinguished from the old in that it was based on the income of the arats and was progressive, rather than being calculated per head of livestock. This statement conflicts with Zlatkin's earlier description of the 1935 tax as a progressive income bearing much the same relationship to the pre-1935 tax as the 1941 tax now presumably bears to the 1935 tax (Zlatkin, p. 209). The 1941 tax is an advance over the 1935 tax, however, in that it estimates and taxes the general income of the arats, i. e., not just income from livestock but also income from obligatory and voluntary deliveries of all sorts of agricultural commodities, from selling wood, and from craft activities in which hired labor is used (It is interesting to note that income from obligatory deliveries is exempted from tax.

TABLE 21
STATE REVENUES AND ENTERPRISE PROFITS OF THE MONGOLIAN PEOPLE'S REPUBLIC

1940 - 1945
(millions of tugriks)

	1940	1941	1942	1943	1944	1945
Total Income	123.9	176.8	174.1	208.7	249.0	315.2
Income from Enterprise	74.4					201.0
Turnover Tax (including budget markups)	64.7					166.9
Customs						
Deductions from Profits	9.7	15.1				16.1
Taxes on Population	23.1	(remain almost unchanged 1941-1945)				47.9
Livestock Tax		33.1				
Bond Sales to Population	12.5	4 war loans --- 80.0 ⁺				11.2
Money-goods Lottery			1942 - 1947 --- 47.2			
Social Insurance					4.4	
Local Budgets		23.6	23.0	25.3	32.5	65.4
Republican Budget		153.2	151.1	183.4	216.5	249.8
Profits of State and Coop. Enterprises		33.9			49.7	58.0
Net Profits of Gosstrakh			1.6			3.5

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TABLE 22
STATE REVENUES AND ENTERPRISE PROFITS OF THE MONGOLIAN PEOPLE'S REPUBLIC
1940 - 1945
(percentages)

	1940	1941	1942	1943	1944	1945
Income from Enterprise						
Turnover Tax (including budget markups).	60.0					64.4
Customs	52.2					52.9
Deduction from Profits	7.8	8.5				11.5
Taxes on Population	18.6	25.0 approx.				15.2
Livestock Tax		18.7				
Bond Sales to Population	10.1	1941 - 1944 average - 10 percent *				4.2
Social Insurance					1.8	
Local Budgets		13.3	13.2	12.1	13.1	20.7
Republican Budget		86.7	86.8	87.9	86.9	79.3
Profits of State and Cooperative Enterprises		19.2			20.0	18.4

* Probably greater than 10 percent in 1941-1942, and less in 1943-1944

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ation in the USSR. Since payments for obligator deliveries do not cover costs of production, the deliveries are a tax in kind and have been so designated by the Soviets. Taxation of such income would constitute double taxation on the farmers' earnings). Activities exempted from taxation are income from land (?), haying, hunting, personal craft activities, socialized cattle, and from the arat associations. The only rates available are as follows:

<u>Income</u>	<u>Rate of Tax</u>
121-300 tugriks	3 percent
over 10,000 tugriks	25 percent
former feudal lords or former high-ranking officials (chinovniki)	30 percent

(Source: Zlatkin, p. 255).

Markdowns and exemptions from the above rates were provided to stimulate the arats to safeguard their livestock numbers. For example, an household which increased the number of livestock over the year by 15 percent received a markdown of 75 percent; an increase of 20 percent merited complete exemption. Unspecified markdowns and exemptions were provided for industrial associations and for families with more than 3 children. Although the data are not sufficient to make a positive statement, the 1941 levy would seem to have involved a very sharp increase in the amount of tax paid by the arat households. Apparently the amount of direct taxes paid by the population almost doubles from 1940 to 1941, (Table 21) and

this must be attributed primarily to the change in the livestock tax.

The budget structure changed somewhat during the World War II period. As we have already mentioned, the money-goods lottery became a regular source of receipts in 1942. Income from war loans rose abruptly in the early part of the war period and then leveled off so that by 1945 receipts from this source amounted to only 4 percent of the total. Receipts from direct taxes, after rising sharply from 1940 to 1941, remain almost unchanged from 1941 to 1945 in absolute terms and decline, relatively, from 25 to 15 percent. Income from enterprise (commodity taxes) rises slightly as a percent of receipts amounting to almost two-thirds of the total by 1945. The full story is not revealed by quoting changes in budget relationships, however. While commodity taxes rose only 4 percent, the increase in tax rates may have been much greater. The estimates in Table 12 show that from 1940 to 1945, the average rate of tax expressed as a percent of retail price almost doubled rising from 47 to 85 percent; and expressed as a markup on cost, rose from 90 percent to 559 percent. This change is the result of an increase in commodity taxes from 74 to 203 million tugriks levied on a value of trade turnover (excluding taxes) which declined from 82 to 36 million tugriks. There are few clues as to the mechanism by which these changes occurred. According to Vargin (Vargin-Zlatkin, p. 214), a sharp rise in retail prices of industrial products occurred in 1942. This in-

crease was undoubtedly implemented by raising turnover tax rates and profit margins. The reason given for the increase was that war shortages had raised the cost of imports necessitating a general upward revision in prices (Vargin-Zlatk p. 214). Simultaneously, wages were raised by 30.7 percent, in general, and 50 percent for lower-paid workers. Vargin says that these increases left real wages unchanged. This would seem to imply that prices had been increased at least as much as wages; in light of the general reluctance of Soviet economists to admit the presence and extent of inflation in the people's democracies, it may be inferred that prices probably rose even more in 1942. In July 1943, wages were increased again by a resolution of the Council of Ministers ("On Payment of Wage-Increases to Workers and Employees of State and Cooperative Enterprises, Establishments, and Organizations for Prolonged Meritorious Service."). This time the increases, which amounted to from 5 to 10 percent, were ostensibly for "prolonged meritorious service". The timing of the increase suggests however, that the increase was inspired by concomitant price increases. But both of these price increases would account for only a small part of the six-fold increase in turnover tax rates which apparently occurred (from 90 to 559 percent). In fact, the increase in rates implied by our estimates is so great that the underlying data and interpretation of that data must be called into serious question. The most plausible explanation

which comes to mind was mentioned earlier. We know that with the advent of World War II there was a sharp shift in the distribution of output from internal to export trade. This would have been responsible for part of the drop, at least, in the value of retail trade. On the other hand, any turnover or profit taxes levied on exports were undoubtedly reported in the budget accounts along with the turnover tax receipts levied on internal trade. The result would be, of course, that the rate of commodity taxation (as estimated here) would be spuriously high. If the Mongols found it possible, and did gouge the Soviets because of the dire straits in which they (the Soviets) were, then the bias would be still greater. Thus, while it is unlikely that there occurred a six-fold increase in commodity tax rates during the war period, a substantial increase nevertheless was probably realized.

Perhaps as interesting and as striking as the large increase in commodity tax rates implied is the sharp drop in the cost value of retail trade turnover. As indicated above, the decline is from 82 million to 36 million tugriks between 1940 and 1945. Since wages had risen, it is quite clear that the reduction in volume of goods sold on the markets to the population was even greater than implied by the decline in the cost-value of retail trade turnover. For the same reason that the increase in tax rate may have been spuriously high, of course, the decline in the cost-value of retail trade turnover may be and probably is over-stated.

Part of the commodity tax which is deducted from the market value of retail trade turnover is probably tax received from sale of exports rather than from sales on the internal market. But undoubtedly some decline occurred and should have been expected. The Mongols were extending, in terms of their capabilities, substantial aid to the Soviet Union. Much of this aid apparently was in the form of gifts including the donation of a tank column and air escadrille. In addition, "tens of thousands of horses" were either donated or sold (Vargin-Zlatkin, p. 233). This aid meant "economies" at home, and undoubtedly involved a substantial reduction in the volume of goods available on home markets as well as some disinvestment in livestock. In addition, the Mongols were unable to import as much in foodstuffs from the USSR as before the war.

In closing this discussion of wartime finance, it is interesting to note that after the initial increase in direct taxes and bond sales, no attempt was made to meet the rising fiscal requirement (an almost doubling from 1942 to 1945) by direct levies on the population. That this should have been true despite the wage increases of 1942 and 1943 (and perhaps other unreported increases in personal income) is somewhat surprising and suggests that the Mongols, like the Soviets, were relying on the money illusion to cushion the effect of rising taxes on incentives (below).

Very little change in the structure of taxes occurs after 1945. The commodity taxes decline

from 64 percent of budget receipts in 1945 to 61 percent in 1948 and then rise to 68 percent in 1953 (Tables 22 and 24). As a percentage of retail trade turnover, the commodity taxes decline from 1945 to 1948 but this decline may be partly spurious reflecting simply a shift from exports to internal trade turnover. The percentage rises again from 1948 to 1950. There is a change in the structure of indirect taxation which should be noted: the deduction from profits rises quite steadily from 1934 to 1952, amounting in the latter year to 15 percent of total receipts and 25 percent of the total of commodity taxes. This would seem to reflect in part an increase in the percentage of goods produced, processes and sold by enterprises as opposed, for example, to produce and livestock which is simply procured from the arats and arat associations and sold directly; the procurement organizations would return only a turnover tax to the state whereas the processing and producing enterprises would pay both profits and turnover taxes. There do not appear to have been any important changes since 1945 in the nature of the taxes levied with the exception of the livestock tax. This tax was described in detail above. It seems to differ from the 1941 tax in the following respects:

- (1) Only income from livestock is taxed at present whereas in the 1941 law income from other activities was taxed.
- (2) The tax is estimated directly from rates per head of livestock held whereas und-

TABLE 23
STATE REVENUES OF THE MONGOLIAN PEOPLE'S REPUBLIC
1946 - 1953
(millions of tugriks)

	1946	1947	1948	1949	1950	1951	1952	1953	1954
Total Income	324.4		335.4	285.0	343.4	351.4	350.5 ^P 401.7	437.4 ^P 436.7	
Income from Enterprise			205.0 [†]		229.5		259.1	295.7 ^P	
Turnover Tax							198.6		
Deduction from Profits							60.5		
Taxes on Population and State Loans		about 20%	about 62.0					78.7- 87.4	
Taxes on Population								69.1 ^P	
Livestock Tax						45.0		same as 1952	1953- 23%
Income Tax on Persons Working on State & Coop. Enterprises					11.7			Same as 1952	
Income & Industrial Tax on Self-employed Persons					7.6				
Bondsales to Population								9.6- 28.3	
Money-goods Lottery	See 1942 - 1945			15.0 ^P		15.0 ^P			
Social Insurance						8.5			

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TABLE 24

STATE REVENUES OF THE MONGOLIAN PEOPLE'S REPUBLIC

1946 - 1953

(Percentages)

	1947	1948	1949	1950	1951	1952	1953
Income from Enterprise		61.1 [†]		66.8		64.5	67.7
Turnover Tax						49.4	
Deduction from Profits						15.1	
Taxes on Population & State Loans	about 20.0	about 18.5					18.- 20.
Taxes on Population							15.8
Livestock Tax					12.8		
Income Tax on Persons Working in State & Coop. Enterprises				3.4			
Income & Industrial Tax on Self-Employed Persons				2.2			
Money-goods Lottery			5.3		4.3		
Social Insurance				2.4			

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er the previous law, income was estimated from livestock and other sources; to this income, progressive tax rates were applied. (Tsapkin [1953, p. 68] says that the law of June 1950 safeguards the principle of taxing agricultural households according to fixed rates per head of different types of cattle. Either there was a tax in force between those of 1941 and 1950 to which we have no reference, or Tsapkin is in error).

- (3) While the present tax, ostensibly progressive, is actually regressive as demonstrated above, the 1941 tax appears to have been genuinely progressive. (Once again Tsapkin seems to be in error, when he claims [p. 68] that the 1950 tax is progressive as opposed to the previous tax which was proportional).

Taxes in Kind

Taxation in kind has played an important role in Outer Mongolia as it does in most non-industrialized nations. Two different categories of in-kind taxes have been in use in the MPR; those requiring the performance of services and those requiring the delivery of goods. It is important to distinguish between them because while neither is reflected explicitly in the budget, there is reason to believe that the latter are accounted

for at least implicitly.

The services in kind are called by the Mongolians albatu or the obligation of alba. These services are not unlike the old European feudal duties. The most important of these duties is the so-called urton service. Urton service is the obligation of arat households to provide the nation with its means of passenger transportation. It involves the provision of horses and camels, of guide services, and the upkeep of stations (including food and bed) located at intervals along all the main routes and many lesser ones throughout the country. In the period of Autonomy, these services had to be provided to Mongolian and Chinese officials, secular and church "feudalists", lamas, and often even traders. Around 1926, it was revoked for "feudalists", lamas and traders (Ryzhik, pp. 170-177). It has been estimated that in 1927 almost 10 percent of all the horses in the country were on urton duty. Other rough estimates which indicate the general order of importance of the urton services are Zlatkin's statement (p. 99) that they constituted 36 percent of the hoshun budget expenditures in 1915 (hoshun budgets were more important than the central government budgets in this period); and Ryzhik's statement (p. 170) that in the same year 30 percent of all taxes collected from the arats were in the form of urton service. It might be noted that out of an estimated average household income of 330 rubles per year, Consten (pp. 140-141) has estimated that the total of all alba amounted to about 77 rubles in the period of Auton-

omy. Finally the estimate of the Russian Advisory Council may be cited (Maiskii, p. 284). The Council concluded that, using the 1913 exchange rate, the Mongolian consolidated budget for 1915-1916 amounted to about 7 million rubles of which 5 million represented local budgets and 2 million represented the budget of the central government. The total value of postal obligations was estimated at between 4 to 6 million rubles of which 2 million were represented by postal services. While these estimates cannot be taken seriously as precise magnitudes, they are useful at least in supporting the many impressionistic references regarding the size of the burden that the postal, and especially postal service, constitute for the population.

There is very little information regarding changes in the postal obligation since Autonomy. As we have already noted, the obligation was restricted to the service of government officials after 1926. A new law in 1933 appears to have restricted the service to major routes, eliminated the obligation to feed passengers, reaffirmed the principle presumably established in 1926 that only government officials were to be served, and apparently established some payment for the service although it seems doubtful that the payment would have covered the full value of services rendered. (Ryzhik, p. 184. Ryzhik is elliptical in extreme at this point; hence all the apparently's and presumably's. It should be noted that to the extent the arats were paid, this could be reflected in budget expenditures but would understate the value

of the services performed). Urton duties were increased again in 1941 at which time a law was passed requiring the arats to transport freight as well as passengers for the state. Requirements of defense and the necessity of reducing private use of transport facilities were the reasons cited for the law. Each arat was obligated to transport 500 ton-kilometers by camel and 320 ton-kilometers by yak; 20 mungu (1/5 of a tugrik) were paid for each ton-kilometer. Poor households were exempted (Zlatkin, p. 256). We cannot infer from Zlatkin whether the transport requirements stated above apply to each camel and yak owned by a household, or whether it is the total levy per household. The levy would be much more equitable, of course, if the former rather than the latter alternative (in effect, a poll tax on arat households) was the case. The final step in urton service history was taken on July 26, 1949, at which time a law was passed ("On Organization of State Post-Relay Service.") relieving the arats completely of all services in kind of this nature. Henceforth such services were to be performed by the state. To a considerable degree, automobiles were to be substituted for horses. The state resolution on this matter joyously proclaims the historic moment as one in which the arats are freed from a large and unpleasant task. In fact, however, it would seem that the arats are still paying for the transport requirements of the state, but in money rather than in kind. The burden will probably be distributed differently, however. For one thing, the arats will not be the only

population sector to support the post-relay services; all taxpayers will pay their share. Second if the previous tax was one in which all persons had to perform the same amount of service (see 1941 law above), then an increase in general money taxation as a substitute for urton duty would imply a substantial increase in tax equity.

More than a dozen other forms of alba are listed by Maiskii for the period of Autonomy (Maiskii, pp. 283 ff.). Among these are care of wells, compulsory military service, sentry duty gifts to the Bogdo-Gegen, and others. Clearly, many of these were revoked with the establishment of the MPR. Some may have continued and may be in force today although the presumption is that they are not very important since they are never mentioned. There is no specific information regarding them, however.

The taxes in kind which require delivery of commodities are called, after the Soviets, obligatory deliveries. The Soviet obligatory deliveries operate as follows: collective farms and individual farmers are compelled to deliver to state procurement agencies a specified portion of their output. The amount to be delivered has been based at one time or another either on (1) the planned number of hectares cultivated and number of livestock held (2) on the number of hectares and livestock in possession of the farm or individual (Holzman, 1954, chapter 7). The government does pay for the deliveries but at a price which is far below cost of production, and especially below the retail price

at which the products are sold in the state and cooperative trade network. "The difference between the cost of these commodities to the state (procurement price plus the costs of processing and distribution) and retail price is usually siphoned into the state budget by the turnover tax. That portion of the turnover tax which is collected by virtue of the low procurement price is, in effect, a tax on the agricultural producer rather than on the general consumer, and is the monetary equivalent of the tax in kind." (Holzman, 1955, p. 82. Suppose that procurement price plus costs to state of processing and distributing grain amount to 30 rubles, retail price of bread is 100 rubles and cost of producing grain is 50 rubles. In this case, the turnover tax would be 70 rubles (100-30), the tax on the producer would be 20 (50-30) and on the general consumer 50 (100-50).

The state procures additional quantities of produce and livestock from the peasants and collective farms by a system of so-called voluntary deliveries. Under this system, the producers sell part of their surplus output voluntarily to state and cooperative procurement agencies at a price which while higher than the obligatory delivery price is still lower than the retail prices at which final products are eventually sold. To the extent that that price is still below cost of production, these procurements also may involve a tax on the producer. Finally, the state acquires very substantial amounts of agricultural commodities by charging the collective farms in kind for the

services of the machine tractor stations. Whether or not these deliveries involve a tax in kind hinges on whether or not the payments in kind are a fair price for services performed. If the farms are overcharged, a tax in kind is involved, of course; if undercharged, the farms receive in effect a subsidy (Holzman, 1955, p. 170 ff).

The MPR procures agricultural and livestock products from the arats and arat associations by the first two Soviet techniques described above; the Mongols have both obligatory deliveries and voluntary procurements. Payments are also made by the arats to the Mongolian counterpart of the machine tractor stations, the "horse-haying" stations; we do not know, however, whether they are a fair payment for value received or are excessive, involving a tax on the arats.

Our earliest reference to the obligatory deliveries is a law of January 1941 requiring compulsory deliveries of wool to the state (Zlatkin, p. 257; Iurev-Zlatkin, p. 166). While references suggest that it marks the beginning of a system of obligatory deliveries by the arats to the state, the references indicate quite clearly that some system of state and cooperative purchases existed prior 1941. Whether the payments under the pre-1941 system were fair price for value received we do not know; hence we cannot say whether a tax in kind was involved or not. It is very strange, however, that the introduction of the obligatory delivery system for wool was accompanied by an increase (of 40.6 percent) in the procurement price.

of wool to stimulate its surrender. This suggests that under the previous system, prices were low and sales were not forthcoming; a big problem in subsistence type economies is, of course, to get producers to sell. Presumably the new decree forced them to sell (and this is where the element of compulsion entered) and the state was willing to pay a higher price to ease the burden. (Zlatkin, p. 257, says that the old system did not provide enough wool to meet the growing demands of industry and foreign trade). The only other specific information we have on the wool delivery law is that all arats with 100 or more sheep were obligated to deliver to the state 1 kilogram of wool per sheep, the poor arat households presumably exempt. In February 1944, obligatory deliveries were extended to include live cattle (Zlatkin, p. 263). We have no clues as to when deliveries of other livestock and agricultural products were introduced, but it is clear from other references that most products were included. (Shul'zhenko, p. 45; Yakimov, p. 55. Shul'zhenko gives the following breakdown of total procurements by cost for 1951: cattle, 35.8%; wool, 32.7%; meat, butter and fat, 15.3%; hides and fur raw materials, 3.5%; fur, 10.4%; other, 2.3%).

In February, 1949, changes were made in the deliveries in kind which corresponded to changes made in the livestock tax described earlier: the arats were freed from deliveries on that part of the herds which represented an increase over the previous year and over plan. At the same

time, deliveries by the government were reduced to ten percent below those by the arats to encourage socialized livestock breeding (Tsaplin-Zlatk p. 124). Our final reference to the deliveries in kind is in connection with the laws of 1953 and 1954 designed to encourage livestock breeding and agricultural production. Among other things, the following measures were taken: producers were required to deliver an amount of livestock to the state based on the actual number of cattle in their possession as counted in the census of 1953, all livestock over and above this number being exempt from delivery debts amounting to 20 million tugriks in connection with default in previous years on both obligatory deliveries and the livestock tax were written off; payments by arats for services of the machine harrowing stations (feed for cattle) were lowered; arat state obligatory delivery prices for meat, wool, and milk were raised; and a system of procuring livestock from the arats over and above the obligatory deliveries was introduced (Yakimov, p. 55 BSE, 1954, p. 204). In announcing that the obligatory deliveries are to be based on actual numbers of cattle in the possession of producers in 1953, Yakimov reveals that the previous system had based deliveries on the amount of livestock planned for each producer. That these changes were introduced may be partly attributed to the fact that prices paid by the Soviets for livestock products were raised in 1954 whereas prices of many commodities purchased from the Soviets were lowered (p. 55). Basically, however, the

changes appear to stem from difficulties which were being encountered in stimulating livestock growth and in effecting deliveries. As we shall demonstrate in the next section, for technical reasons, deliveries based on plan probably have a greater incentive effect than those based on 1953 output. Despite this, the shift was probably made because of the inequity of deliveries based on plan and the consequent resentment it may have stirred up among the nomads.

This is all the information which appears to be available on the Soviet obligatory deliveries. We know nothing about procurement prices, about the percentage of crop or livestock which is delivered, or any other of the pieces of information which would be necessary to evaluate the role of the tax in kind in the economy of Outer Mongolia.

Rationale and Evaluation of the Tax System

Many factors must be taken into consideration in rationalizing the tax structure of a nation. The current tax structure of any nation is bound to be affected by its own historical pattern of taxes even though economic conditions may have changed to such an extent that the old pattern can no longer reasonably be defended. By the same token, taxes will differ from nation to nation in dependence on differences in economic conditions: taxes which are appropriate to an advanced industrial nation may not be appropriate to a rural or nomadic nation; taxes appropriate to a planned economy may not be appropriate to a capitalist economy. Administrative convenience is another factor which is typically taken into consideration by an authority in devising a tax system. In considering the

level of taxation, the avoidance of inflation is a prime fiscal objective; except under unusual circumstances (e. g. , depression), it is desirable to finance the bulk of the state's expenditures out of taxes rather than to have to resort to printing of money. Two major considerations so far not mentioned are equity and incentives. The notion of equity is embodied to some extent in the tax systems of almost every nation, the poor paying proportionally less than the rich, exemptions for large families, etc. Equity, unfortunately, is often sacrificed to other considerations -- to administrative convenience and, especially, to incentives. The maintenance and encouragement of work and investment incentives is perhaps the most determining element in the tax structure of most nations today. Generally speaking, the conflict between incentives and equity arises as follows: equity requires that the rich (either in terms of income or wealth) pay a larger tax proportionally than the poor, i. e. , that there be a progressive tax. On the other hand, the preservation of incentives requires that as persons work harder earning more income or accumulating more wealth their tax liability not be increased more than proportionately since this implies smaller returns per unit of effort as the amount or intensity of effort increases. Looked at from another point of view, as the return from increased effort declines, the cost of leisure can be said to fall and there is a tendency to substitute leisure for work. This "substitution effect" is enhanced by an "in-

come effect": as income rises, the need to work declines -- one can afford more leisure. With this brief sketch in mind, let us turn to an examination of the Mongolian tax system.

Looking at the tax system as a whole, the following basic structure is observed: predominance of indirect or commodity taxation, little reliance upon direct or income taxation (in money), substitution of forced loans for heavier income taxation, and application of taxation in kind to the agricultural and livestock sectors. Several possible reasons may be adduced to explain the dominance of commodity over income taxation. First and most important, it seems highly probable that Mongolian reliance upon commodity taxation may be attributed primarily to the institutional uniformity which the Soviet Union tends to impose upon its satellite nations. Thus, the turnover tax has become the dominant form of levy in the satellite nations of Eastern Europe. This should not be taken to imply, however, that commodity taxation is without advantages, relative to income taxation, to the MPR or other satellite nations. First, commodity taxes are less likely than income taxes to blunt work incentives. This is the case because (a) a person is likely to be less aware of the amount of income given up in the form of a price rise than of a similar amount deducted directly from income (this is the so-called "money illusion." Cf. Holzman, 1955, pp. 62 ff.); and (b) generally

speaking, income taxes are more progressive, hence more incentive-destroying, than commodity taxes. (Of course, this is not necessarily true. The British purchase tax, for example, has strong elements of progressivity). Second, commodity taxes are much cheaper to collect and easier to administer effectively. Collections need be made from a relatively few enterprises as opposed to collecting from the bulk of the income earners; and in a country with a low literacy rate, enterprises are more likely to keep accurate accounts than individuals. We might quibble over the importance of these administrative advantages of commodity taxes; certainly the marginal costs of collecting further sums through the income tax would not be excessive in view of the fact that the collection apparatus already exists. In answer, it is suggested that resistance and evasion would probably increase markedly as the levy became more burdensome. Third, the commodity tax is bound to be fairly large in situations where deliveries in kind are large. As we pointed out earlier, although the deliveries in kind do not enter the budget directly, their monetary equivalent is reflected in the budget as part of the commodity tax collected when the goods are resold. In effect, the commodity tax is not all commodity tax, but represents in part the direct taxation in kind of the farmers and nomads.

The continued use of income taxation and of forced bond sales which are really a form of income taxation may be hard to rationalize in view

of the advantages for the Mongols of commodity taxes. One may reasonably wonder why prices are not raised still further and the whole income tax and bond sale apparatus not done away with, thereby reducing administrative costs. The direct taxes may be rationalized on the grounds that they do introduce some element of equity into the tax structure, albeit not a very large element, via the progressive rate structure and exemption clauses. In a Soviet-type economy, a gesture at least in this direction is probably mandatory. (We saw, of course, that the livestock tax while giving the appearance of progressivity was in fact regressive). Secondly, special incentive features of the direct taxes are used to further political, economic, and class policies of the state. Thus in order to encourage arat associations, they pay a lower rate of tax than individual arats; the large exemptions in the livestock tax for increases in sheep and cattle and small exemptions for horses are intended to encourage, relatively the breeding of the former; the relatively high rate of tax paid by non-cooperative artisans, speculators, priests, etc., is designed to discourage these activities and to encourage workers to join cooperatives and to work in state industries.

The introduction of forced loans as part of the direct tax structure would seem to have been based on incentive rather than equity considerations. The loans are certainly a less onerous form of levy than the direct taxes since bond-holders can expect some return for their payment;

taxes reduce the payer's net worth once and for all. The use of a lottery-form of bond would support this contention. Furthermore, if Soviet practice is followed, subscriptions to bond or lotteries would appear to be estimated as a flat percentage of income (hence proportional), rather than progressive and without the dependency exemptions which characterize the income tax. Thus the bond purchases are seen to be less equitable but less destructive of incentives than the income taxes. From the point of view of the state, the beneficial incentive effects of bond sales vis a vis direct taxes are offset to some extent by the fact that interest is paid on the bonds and they have to be redeemed eventually. Before 1945, this consideration was diminished in importance by price rises which reduced over time the real value of bonds held; after 1945, a planned deflation was put into effect (below) and the reverse has been true.

The use of a tax in kind on the rural sector in addition to the monetary taxes listed above has several explanations. The major monetary tax, the turnover tax, is not a very useful instrument of rural taxation in a nation where the major item of consumption is food. The tax is not likely to bear very heavily on a sector of population which raises the bulk of its own food. From another point of view, it can be said that the rural population receives a large proportion of its income in kind rather than in money and is therefore less susceptible to money taxation. The state might, of course

pay the farmers and livestock breeders cost or market prices for their deliveries and then tax their money incomes heavily. In addition to other disadvantages to the Mongols of income taxation mentioned above such a levy would be subject to the further objection that the farmer, if he were to pay as heavy a tax burden as the non-agricultural worker, would have to pay a much higher income tax because so little of his income can be tapped by the commodity taxes. The political and economic disadvantages of a tax which appears to discriminate against the farm sector are obvious. One other disadvantage of a high income tax on the farm sector should be mentioned. It must be remembered that a tax in kind serves two functions: it places part of the burden of the nation's investment requirements on the shoulders of the peasants; it also provides the state with the food and raw materials which are required to feed the urban labor force and the processing industries. A high income tax could have the effect of discouraging cultivation and breeding, thereby defeating the latter purpose for which the tax is levied. In fact, in an agricultural or livestock economy in which many producers operate at close to the subsistence level, it is extremely difficult to pry any product out of their hands; any method other than the direct one of requiring obligatory deliveries is unlikely to meet with success.

So far as we can tell from the very limited information available on the tax in kind it appears to be a sound tax from an incentive point of view.

The freeing of producers from deliveries on all livestock over and above those counted in the census of 1953 should encourage the growth of herds; the marginal tax on new livestock is, in effect, zero. The 1941 tax which required in the case of sheep 1 kg. of wool per animal owned (if the herd amounted to more than 100 sheep) was very bad, incentivewise; such a tax creates a powerful incentive to keep one's herd below 100 head since the marginal tax on the hundredth sheep (the previous 99 were exempt from taxation) is 100 kilograms of wool. And having increased one's herd above 100 sheep, the marginal tax rate continues to be 1 kilogram of wool which, of course, does not have as salutary an effect as a zero marginal rate. The delivery system in effect before 1953 (revealed by Yakimov in discussing the 1953 reforms) in which deliveries are based on planned herds should probably have -- under normal conditions -- an even greater incentive effect upon livestock production than a system based on the actual livestock holdings (with increments exempted). In both instances, the marginal tax rate is zero over and above a specified amount; thus the substitution effect would be the same. But since planned herds are likely to exceed actual herds, a tax based on the former is likely to be larger in amount than one based on the latter; hence the negative income effect (to work harder) would be greater in the former than in the latter case. One may well ask why, when the state is attempting to increase incentives, it would shift to a form of tax

which appears to have lower incentive effects. Appearances are often deceiving and in this case the deception would seem to lie in the hidden assumption that the state can enforce its obligatory delivery legislation. If the state cannot enforce deliveries, and the 20 million tugrik backlog of payments is evidence of this, then the negative income effect of a higher delivery burden will not have the usual and desired positive incentive effects. Resentment over the level of taxation will be accentuated by the relative inequity of the tax: a tax based on plans cannot fail to be more inequitable than one based on actual ownership since the level of plans and their percentage of fulfillment for different producers can at best be only roughly approximated by the planners. This would seem to be especially true in a nomadic society. Under such conditions, it would make little sense to continue deliveries based on "plan", and the shift to deliveries based on actual holdings with exemptions above the 1953 level seems rational in terms of incentives. While this latter method reduces deliveries in the short run, it is a form of tax with strong incentive effect and one which runs less chance of stirring up a resentment which may have negative long-run production effects.

The present livestock tax incorporates in its structure the same sort of incentive device as the tax in kind: arats who succeed in increasing their herds relative to the previous year's numbers receive a markdown in tax rate, which increases as the increment to herds increases. Thus the

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marginal rate of tax tends to decline and, in the case of some livestock (sheep and cattle) actually is zero on increases of over 31 percent. The use of different rates of tax reduction on different types of livestock is, of course, an illustration of the use of a tax incentive device to direct economic activity in the interests of the state.

IV. MONEY, BANKING, AND FISCAL POLICY

The Soviets have provided us with less information about the Mongolian People's Republic's monetary and financial system than they have about the budget. Nevertheless an attempt will be made to present in a coherent way the scattered materials which are available. This section will begin with a discussion of the situation during Autonomy and then continue up through the mid-twenties at which time the Currency Reform was carried out and the basis of the present system of money and banking was established. This will be followed by a history of developments since 1928. A theoretical framework by which Mongolian financial policy, including the net budgetary position, may be analyzed, will then be outlined briefly. Finally some attempt at analysis will be made.

Mongolian Finance before the Currency Reform of 1925

Prerevolutionary Mongolia was a very undeveloped nation. A very large part of its business was transacted in kind; much of the remainder consisted of transactions in which foreigners participated. Various common commodities served as a standard of value and to some extent as a medium of exchange for the in-kind transactions. Perhaps the best known of these were bricks of tea. As a monetary unit, these had obvious drawbacks, especially uneven quality and size, and sharp fluc-

tuations in value over space and time due to changing supply-demand relationships (Maiskii, pp. 173 ff.). They were superior, however, to many of the other commodities in use at the same time such as sheep, goats, skins, salt, and others. No single currency dominated the "moneitized" markets of Mongolia. Prerevolutionary Mongolia had neither banks of its own nor a national currency. Transactions were conducted in many different foreign currencies including various types of silver coins and paper money, American dollars, English pounds, Chinese so-called "Mexican" dollars (also called Yanchans) and many others. The situation is typically described by Soviet commentators as having been "chaotic"* and it is not difficult to believe them. According to these commentators, exchange rates fluctuated irregularly and foreigners manipulated their currencies to exploit the Mongolian people. The principal device of exploitation appears to have been the charging of extremely high rates of interest by "foreign usurers" to Mongolian arats and feudal lords who would at one time

* In this section we draw on: Vargin-Zlatkin, pp. 220-221; Maslennikov, pp. 131-132; Trubenkov, pp. 36-37; Vargin-Zlatkin, pp. 193-194; Perlin, 1941, p. 50; Tsapkin, 1948, p. 84; Misshima-Goto, p. 40.

or another find themselves needing credit to tide over a difficult period. These rates are reported variously and on an annual basis appear to have amounted to as much as 200 plus percent in some instances. It is reported that in 1912, Outer Mongolia owed Chinese traders 11 million lan or 15 million rubles (Vargin-Zlatkin, p. 194), and that on the eve of the 1921 revolution, the population was in debt to "usurers" to the amount of 50 million gold rubles. (Trubenkov, p. 36). It is difficult to believe that the debt could have grown so rapidly over a space of nine years.

Private Russian and Chinese banks both maintained branches in Mongolia. The Ta Ching Government Bank operated in Urga and Uliasutai from 1907 to 1912. This Bank apparently flooded the country with worthless Chinese dollars. (According to Maiskii [p. 176], 406,000 dollars were printed and these were backed by silver and commodities not exceeding 70,000 dollars. [This would not have caused the currency to be unstable, of course, unless people had felt that more backing was essential to the value of the currency]). The Mongolian government and Russian traders refused to accept these banknotes in 1921-1913 and they tended to disappear from the market. Shortly after the Revolution of 1911, a collaborator of the Russian Consul General in Ulan Bator received a concession from Mongolia to open a Mongolian National Bank. The Bank had the right to issue check money or banknotes in Mongolian or Russian monetary units. The concession became an item of speculation and

went from hand to hand until 1915 when a Siberian trade bank bought the concession and finally opened the bank [Maiski, p. 177; Perlin, p. 50]. After a year or so of operation, however, the impact of World War I on Russia made itself felt in Mongolia. The Bank was no longer able to secure gold, and due to inflation in Russia the ruble, to which this currency was tied, lost its value. The concession was finally annulled in 1918 after the Bolshevik Revolution. In the meantime the Russian ruble which had been valued at .70 tael in 1913 had declined to .33 tael by December, 1916, and to .01 tael by the end of 1919. On October 14, 1918, the Mongolian Government contracted with a Chinese bank (Chung-kuo yin-han) to open a branch in Ulan Bator which it did in 1919. In an effort to stabilize their currency and make it generally acceptable to the Mongolian population, an attempt was made by the Chinese bank to get strong government backing. Thus, the Mongolian government agreed to accept the Chinese currency as official and to conduct all transactions in the currency. The currency of the bank was, in theory, backed by silver but this was something of a sham since the only place where notes could be converted to silver was Kalgan, China. It was also provided that deposits pay 3.6 percent interest and loans, 9.6 percent. Finally Mongolia agreed to honor an old debt to the Ta Ching Government Bank. The new Chinese bank continued to operate as the central bank of the Mongolian People's Republic until 1924.

Chinese currency remained the principal medium of exchange in the monetary sector in Mongolia after the Revolution of 1921 and until the tugrik took over some 4 or 5 years later. The government did, however, cancel all debts of the Mongolian people and government to foreigners shortly after the Revolution. Little is known about the period from 1921 to 1924 at which time a Mongolian central bank was finally established.

The Mongolbank and the Currency Reform of 1925.

The monetary reform in Mongolia took place in three steps: the establishment on June 2, 1924 of the Mongolian Trade-Industrial Bank, called the Mongolbank; the announcement on February 22, 1925 of a new national currency, the tugrik; and the gradual introduction of that currency into circulation from 1925 to 1928. The Mongolbank was organized at first with a capital of 250 thousand gold rubles. This was doubled soon after (Perlin, 1941, p. 50). The Bank's activities until the Currency Reform in 1925 were related primarily to facilitating trade turnover by the granting of credits and by functioning in the market for foreign exchange. It was also supposed to act as the banker for the government handling its cash operations, and was supposed to make a start toward organizing non-monetary accounts between enterprises and organizations (Vargin-Zlatkin, p. 222; Trubenkov, p. 37). On February 22, 1925, the Mongolbank was given the exclusive power of note issue. The new currency was to be called the

tugrik and was to be issued in denominations of 1, 2, 5, 10, 20, 50, and 100 tugriks. It was to be backed twenty-five percent in precious metal and stable foreign currencies, and seventy-five percent by short term obligations and easily saleable goods. On April 15, 1928, the tugrik was transferred to twenty-five percent gold backing (Tsapkin, 1948, p. 84). The first issue of tugriks did not take place immediately upon the establishment of the national currency on February 22, 1925; it was not until December 9, 1925 that 200.1 thousand tugriks were issued. The tugrik was valued at eighteen grams of silver of ninety percent (900 proby??) purity (Tugarinov, 1928, p. 252), and was worth one ruble 31.4 kopeks (Zlatkin, p. 167) and also .88 Chinese-Mexican dollars or yanchans (Zolotarev, p. 235). The Bank also issued coins for small change as follows: one tugrik and fifty mungs (100 mungs equals one tugrik) in pure silver; 10, 15, and 20 mung pieces in fifty percent (500 proby) silver; and copper coins of 1, 3, and 5 mung values.

In establishing the Mongolbank, the Mongolian Government was interested in achieving a degree of monetary stability. With this purpose in mind it wisely separated the administration of the Bank from that of the budget, and furthermore limited the borrowing by the Government from the Bank. The Government was allowed to borrow from the Bank only upon the presentation of collateral consisting of precious metals and foreign currencies of not less than fifty percent of the loan, with the

remainder in treasury bills. Furthermore, the Government was not allowed to borrow an amount which exceeded twenty percent of the total of bank notes in circulation (Breiter, p.129). As to how scrupulously this regulation was followed, and how successful it was, we have no knowledge.

The Reform is generally considered to have been in process until April 1, 1928 at which time the tugrik was officially declared to be the only acceptable currency and all other foreign currencies were removed from circulation (Zlatkin, p. 167). By this time, it appears that the tugrik had substantially supplanted other currencies amounting to about eighty-five percent of currency in circulation (Breiter, p. 145). The process by which the Mongolians went from the initial establishment of the tugrik to its monopoly as a currency has been documented relatively liberally though Soviet writers differ substantially in emphasis and detail. (What follows is taken from Zolotarev, pp. 235 ff.; Tugarinov, 1928, pp. 253-256; and Breiter, pp. 134-145). According to Zolotarev, a real attempt was made at the time of the Reform to publicize the event widely and to interest and gain the support of the population. Traders, in particular, were given an inducement to use the Mongolbank and its branches because of new, low rates (fifty percent reduction) which were put into effect as a result of the fact that the Mongolbank was willing to perform currency conversions without charge. Traders who used tugriks and Mongolbank services were at an advantages vis-a-vis

other traders: they did not have to bother exchanging currencies several times a year, and costs were reduced by the elimination of this transaction and the elimination of several bank offices which had existed primarily to perform such services. The Mongolbank also converted tugriks into silver (at least in the early stages of the Reform); this had a salutary effect on confidence. In fact, rumors which spread concerning the possible rise in the exchange rate of the tugrik, which may have been due to the free exchange into silver, caused a sharp increase in demand for tugriks. The government made no attempt in the early stages to satisfy the demand for tugriks, however, but operated on the theory that the tugrik would have a better chance of not depreciating in value if notes were issued slowly with demand in excess of supply.

Breiter (pp. 134-35) estimates variously that at the time of the Reform, the amount of currency in circulation was from 10-12 mn to 15-20 million yanchans. He feels that because of the very low velocity of circulation, the amount of active currency could have not exceeded the former amount. The amount of tugriks which subsequently entered circulation was, he claimed, a function of two factors: the speed with which other currencies were redeemed and withdrawn from circulation, and the extent to which credit was granted in tugriks by the Mongolbank to meet the needs of traders and other borrowers. The introduction of tugrik notes into circulation proceeded as follows:

TABLE 25

Total Number Tugrik Notes in Circulation (thousand tugriks)			
Date	1926	1927	1928
January	200	3176	6758
February	596	3136	6616
March	726	3136	6356
April	786	3086	6629
May	1041	3506	7465
June	1196	3641	8462
July	1246-	4201	9790
August	1626	4481	8963
September	2091	5747	9593
October	2506	6567	1500- 2000 increase
November	2816	6654	
December	2926	6904	

Sources and Notes:

Breiter, p. 137, 145.

Zlatkin's (p. 168) estimates on 1, 621, 000 and 9, 770, 700 tugriks in circulation on 1/1/25 and 1/1/26 respectively seems to be in error.

The somewhat larger increases which take place from April to October are due, according to Breiter, to the seasonal character of the livestock market.

Corresponding to this increase in tugrik circulation was the withdrawal of other currencies as follows (Breiter, pp. 140, 1945):

by 1/1/27 - 2.8 mn. withdrawal;

by 1/1/28 - 5.3 mn. withdrawal;

by 4/1/28 - 6.8 mn. withdrawal.

Breiter's figures are not entirely consistent. He estimates that as of January 1, 1928, the total amount of currency in circulation was 9.2 mn tugriks. Since foreign currencies worth 5.3 mn had been removed, an increase in currency circulation of 3.9 is inferred. (By 1929, this increase is estimated at 5 1/2 mn. tugriks). Since Breiter, himself, estimated currency in circulation at the time of the Reform to have been from 10 to 12 mn. tugriks, it is difficult to see how he arrives at these new figures.

Both Breiter and Tugarinov attempt to assess the effects of the Reform. Tugarinov is not sanguine. He feels that while the Reform effected a substitution of tugriks for other currencies, it did not substantially increase the role of money in the Mongolian economy. He also feels that the rise in exchange rate of tugriks for yanchans (Chinese-Mexican dollars) from .88 at time of the Reform to 1.00 by October 1926 does not indicate a significant strengthening of the tugrik but rather a weakening of the yanchan in terms of American dollars. (The yanchan declined from 54.28 to the American dollar in January, 1926 to 44.66 by October, 1926). Finally Tugarinov argues that to the extent that the Reform may have

some beneficial effects, these may be partly attributed to the fact that the economy was primarily a barter economy and was simply not much affected by the Reform. Tugarinov does admit, of course, that the elimination of Chinese money lenders and of excessive currency conversion, and the development and cheapening of credit are all to the good.

Breiter disagrees with Tugarinov regarding the degree to which the economy has shifted from barter to money transactions and says that he fails to understand how any measure which beneficially affects trade by cheapening credit, etc., could fail to have a beneficial effect on the economy and to induce some monetization of transactions. He further points out that the introduction and use of the tugrik was one of several measures which led to a more orderly state budget. (The budget was first calculated in tugriks in 1925). Finally he defends the Reform against charges that excessive note issue may have caused an inflation in export and import prices. The rise in prices, he asserts, was due to difficulties in procuring Chinese goods and to rises in world prices; these may, in fact, have been partially responsible for the increase in note issue (rather than vice versa).

The Reform was officially completed in April of 1928 at which time, as we have already noted, all foreign currencies were withdrawn from circulation leaving the field to the tugrik (Zlatkin, p. 167). At the same time, the tugrik was shifted

from silver to gold backing (Ryzhik, p. 176). It would be unwise on the basis of the limited evidence to express an opinion on the relative merits of the arguments presented by Tugarinov and Breiter. Certainly the Reform had some beneficial effects as the area of agreement between the two writers would seem to indicate.

Developments in Banking after 1928.

Although the Reform of 1925-1928 was an important step in the development of Mongolian finance, the system which is in operation today was not fully developed until the mid-thirties. When the Mongolbank was established, it had the power immediately to extend both short and long term credit to all borrowers. Private currency and credit transactions were not forbidden, however, and continued to flourish until 1928. Most of these transactions occurred, of course, in export-import trade. In 1929 the government monopoly in foreign trade was established. This substantially cut the ground out from under private money-lenders, and legislation passed shortly thereafter forbidding them to operate in the MPR was probably largely a formality. Thus by 1929-1930, foreign capital in Mongolia had all but ceased to exist -- the system of money and credit was entirely in the hands of the state. (Trubenkov, p. 38). It would not be surprising if this was considered by the Mongolian planners a prerequisite to the launching in 1930 of the abortive Five Year Plan.

Further reforms of the banking system took place in 1933 and 1934. The first, though

least important, regulation had to do with the import and export of foreign currencies and precious stones and metals. Imports were encouraged, being unrestricted in amount and exempt from taxation. There were few, besides government enterprises, in a position to take advantage of such license. Exports, on the other hand, were carefully limited and special permission was required for the out-shipment of anything with more than token value. Persons leaving the country were allowed to take with them, in bank notes and small change, no more than 200 tugriks (Trubenkov, p. 38). The principal explanation for such a mercantilist approach on the part of the Mongolians would appear to be once again, the adoption of Soviet practice. As with most backward, barter-type economies, however, the Mongolians may have had a very strong preference for precious metals; hence this particular suit of the Soviets may have provided them with a relatively good fit.

More important was the institution of Mongolbank control over state and cooperative enterprises, called by the Soviets "control by the ruble". Enterprises were required to deposit all currency receipts with the Mongolbank (with the exception of some till cash for small transactions) and to make all expenditures in the form of withdrawals from their account in the Bank. The provisions differ in emphasis from those in the Soviet Union since relatively so many Mongolian state and cooperative enterprises operate in international rather than internal trade. Provisions explicitly forbid enterprises from using in any way foreign

currencies which accrue to them as a result of their operations. Once enterprises were obliged to keep their accounts with the Mongolbank, it was a simple matter to dispense with cash as the medium of exchange in inter-enterprise transactions. In addition, state and cooperative enterprises and organizations were forbidden to have accounts with each other except through the medium of the Mongolbank; and all inter-enterprise transactions were conducted by shifting sums from payer to payee account in the Bank (Trubenkov, 39). Only sums under 100 tugriks could be paid cash (Vargin-Zlatkin, p. 232). This meant that cash transactions in the MPR after 1933 were confined almost entirely to those between the households and other sectors: payments to the household for labor services and for deliveries of livestock, and expenditures by the household for consumers' goods.

The final stage in the development of "control by the ruble" was the decision in March of 1933 to have the Mongolbank establish, annually, a credit plan which defined the amount of credit to be granted, its direction by branch of economy and sources of funds. There were, presumably, two sources of funds: the capital of the bank and so-called "attracted resources" by which is meant, apparently, deposits of enterprises. As in the Soviet case, probably most credit is granted on a short-term basis to meet working capital needs (but see below) such as the financing of goods in transit and to finance seasonal supplies of raw

materials necessary for production primarily in the consumers' goods industries (Trubenkov, p. 39). Credit is, in theory, granted only to enterprises which can offer material (commodity) security. Apparently the Mongolians are following the Soviets in their adherence to the now discredited (as a means of preventing inflation) "real bills" principle (cf. Raymond P. Powell, Soviet Monetary Policy, University of California, Berkeley, 1952 [unpublished doctoral dissertation]). The bulk of the short-term credit has been extended to trading organizations with lesser amounts going to the food, meat, milk, and light industrial enterprises (Trubenkov, p. 39). Short-term credit was also extended by the Mongolbank to the arats and arat associations to facilitate the growth of livestock production and of agriculture (Trubenkov, p. 39).

Trubenkov claims that another function of the Mongolbank is the extension of long-term credits for capital investment in the national economy, particularly industry. In the Soviet Union capital investment is financed primarily by budget subsidies and the retained profits of state enterprises. In both instances, the funds are not spent directly but are deposited in so-called long-term investment banks. These banks are not banks in the real sense of the word but simply disburse and supervise the expenditure of funds previously allocated through the budget and enterprise profits for capital investment. The literature on Mongolian finance gives no indication of the existence in the

Mongolian People's Republic of banks of this so
My guess is that the Mongolbank handles the dis
bursement and supervision of long-term investn
funds as well as the extension of short-term cre
dit, probably not a difficult task in so small a
country. If this be the case, then capital invest
ment by the Mongolbank to which Trubenkov refe
may be simply the total of budget funds earmark
for investment and retained profits of state enter
prise rather than credit created by the Bank, an
may perhaps be more accurately described in th
way. On the other hand, some Soviet writers
(Maslennikov, p. 135) refer to such extensions of
funds for capital investment as "loans"; the use of
this term certainly implies repayments. The data
which have been collected (below) suggest that the
Mongolbank credit was primarily short-term in
the prewar period but that since the early forties
some long-term lending may also have been unde
taken.

Finally, it should be mentioned that the
Mongolbank has almost, since its inception, kept
accounts for the budget and acted as the govern
ment's banker. On those few occasions when the
budget has experienced deficits, the Mongolbank
has filled the br^each by extending it credit (Vargin
Zlatkin, p. 226; Trubenkov, p. 39).

To round out the technical history of the
Mongolbank, it may be noted that by 1931 the
Mongolbank had eight branches to handle its grow
ing volume of transactions, that this number had
increase to twenty-one in 1947 and twenty-two in

1954. (Vargin, p. 88; Trubenkov, p. 40. According to Tsapkin, 1948, p. 85, several branches were opened in 1924-1925 right after the establishment of the Bank). In 1954, apparently only in order to establish closer institutional uniformity with the Soviet Union, the Mongolbank changed its name to State Bank of the Mongolian People's Republic. A network of savings banks, numbering fourteen in 1950, was also scattered about the country (Vargin-Zlatkin, p. 236; Vargin [p. 88] claims there were seventeen in 1947). To my knowledge, this reference is the only clue to their existence.

A Suggested Framework for Analyzing Financial Policy. *

The direct purpose of the framework suggested below is to present in one balance sheet the major financial variables and to indicate how, by their relative magnitudes and positions in the balance, they tend to have an inflationary, deflationary, or neutral effect on the economy. The major variables under consideration are: the

* For the Soviet Union, a similar framework has been suggested in: F.D. Holzman, "Financing Soviet Economic Development"; and Holzman, 1955, chapter 2.

budgetary receipts and expenditures -- hence the budgetary surplus or deficit; credit advanced by the banking system; retained profits of enterprises -- state, cooperative, and private -- the latter being virtually nil in the period under discussion; investment from enterprise profits; and profits of Gosstrakh and expenditures from these profits. Depreciation reserves and expenditures therefrom are excluded only because no references to these have appeared to my knowledge in the Soviet literature on Mongolia. Consumer incomes (disposable) and expenditures on consumer goods are assumed to be equal according to the usual convention of considering a failure by consumers to spend all their incomes on available goods as a saving on the receipts side, and leading to an equal investment rise in inventories on the expenditure side. Since we have no data on household savings and investment, these are also excluded; since they are undoubtedly miniscule, their exclusion is not important. Finally, of course, savings and investment in kind are excluded from our balance not being monetary items and not being susceptible, in any event, to measurement.

For purposes of discussion, let us set up a hypothetical financial balance sheet:

TABLE 26
Mongolian Financial Accounts, Hypothetical

Receipts	Expenditures
Budget receipts (incl. bonds) 55	Budget expenditures 50
Retained profits 20	Investment from retained profits 15
Profits of Gosstrakh 5	Gosstrakh expenditures 5
	Loans by Mongolbank 20
subtotal 80	subtotal 90
New currency issue (and errors) 10	Currency withdrawal (and errors) 0
Total 90	Total 90

The above balance sheet is based on the assumption that the people and all enterprises and organizations (i. e. the budget, state and cooperative enterprises, Gosstrakh, savings banks) maintain their unspent receipts with the Mongol bank. This is the Soviet practice and is certain the Mongolian practice in the case of the budget and the state and cooperative enterprises, and probably with respect to the other institutions as well. To the extent that the household hoards currency, increments to hoards would appear on the right side, decrements on the left. The system would appear to work in the following fashion. The Mongolbank is the sole source of currency issue in the Mongolian People's Republic. It carries out its loan functions, issues currency if no other sources of funds are available. If, on the other hand, funds are sitting in the vaults from, say, a budget surplus or unspent profits, then currency will in effect have been withdrawn from circulation. In the hypothetical set of financial accounts above, the budget surplus and unspent profits provide the bank with ten units of money which it can use to finance its loans. Since its new loans amount to twenty units, ten new units of currency are placed in circulation. Had the Bank extended only five units of loans, or had unused budget funds and profits amounted to twenty-five units, then five units of currency would have been withdrawn from circulation.

Presumably the Bank, in its lending policy, is concerned to maintain financial stability, not

creating so much credit and issuing so much new currency that inflation ensues and, on the other hand, not adopting such a parsimonious policy that prices decline and resources become unemployed. An increment (decrement) to currency in circulation does not automatically mean that inflation (deflation) will occur. As is well-known, the relationship between the quantity of money in circulation and the price level is a complex one. Thus, even if the amount of money in circulation should increase, inflation would not result if (1) people should decide that they wish to hold a larger proportion of their assets in the form of currency (i. e. , there is a rise in liquidity preference) and/or (2) the number of transactions conducted in money should increase due to a rise in output or to a shift away from barter. Analogously, a decline in currency in circulation would not lead to a fall in prices if the need for currency in either of the above senses was reduced. On the other hand, however, any very sharp increase or decrease in the quantity of money in circulation is likely to imply, unless one can point to unusual extenuating circumstances, financial instability.*

* The relationship between the money supply, credit policy, and financial stability is discussed by Powell and Robertson.

Analysis of the Mongolian Financial Accounts.

The word "analysis" in the title of this section is perhaps a little presumptuous. We shall simply attempt to make some sense out of the meagre and scattered data which are available on Mongolian finance.

The only item for which we have a relative continuous series is the budgetary surplus (deficit). The figures are presented in Table 27. (attached). It should be noted that the budget surpluses especially after 1939 are not surpluses in the ordinary western usage of the term since they include borrowing from (sales of government bonds to) the population. This seems to be the appropriate method of treatment here because, as we have pointed out earlier, sales of bonds to the population in the Mongolian People's Republic are at least semi-compulsory and take on many of the characteristics of a tax. Furthermore they are treated by the government as a tax in that they are considered a regular and stable source of revenue and do not fluctuate in amount from year to year in the "balancing" sense that government borrowing and debt-repayment do in a capitalist country. It is worth noting that if government sales of bonds to the population were not considered a tax, then the string of budget surpluses since 1939 (large-scale sales of bonds to the population on a semi-compulsory basis were begun in 1939) presented in Table 27 would be converted into deficits. It should also be pointed out that the treatment of government borrowing for

the pre-1939 period differs from that described above. Whatever borrowing took place in this earlier was not from the population but from either the Mongolbank or from foreign countries, especially the Soviet Union. Misshima-Goto, p. 38, claim that the Mongolian People's Republic was 35 million gold rubles in debt to the USSR in 1938. This source is very unreliable, however. In the years 1923 and 1926, the MPR borrowed 696 and 846 million tugriks, respectively. These amounts are included among normal budget receipts in our budget accounts presented above. Since this borrowing was almost certainly not in the form of a compulsory loan from the population, it should not so appear if our treatment is to remain consistent. While it is easy enough to adjust the accounts for 1923 and 1926, nothing can be done about other years in the 1922-1938 period since we have no information on government borrowing. If such borrowing did take place, the receipts therefrom are included in the estimation of budget revenue, and our budget surpluses will tend to be overstated; if not, then our accounts remain consistent. My guess is that borrowing from the Mongolbank has not been included among budget revenues since 1930, since the 1930 deficit, which was covered by Mongolbank loan (currency issue), was not so included. With regard to borrowing from the USSR, we have no clues.

Data with respect to other variables in the financial picture are scattered and in many instan-

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TABLE 27

BUDGETARY IMBALANCE OF THE MONGOLIAN PEOPLE'S REPUBLIC - 1922-1

(millions of tugriks)

Year	Expenditures	Receipts	Deficit (-) or Surplus(+)	(3) ÷ (2) in percent
1922	3.038	4.518	+ .480	32.8
1923	4.095	4.190	+ .095	2.3
1924	6.727	7.487	+ .760	10.2
1925	7.900	8.796	+ .896	10.2
1926	10.400	11.638	+ 1.238	10.6
1927		10.675		
1928	15.7			
1929	19.9			
1930	26.9	22.9	-4.0	-17.5
1931	28.3			
1932	45.0	less 45.0 than	deficit?	
1933	22.0			
1934	37.5	38.9	+1.4	3.6
1935	36.4	38.1	+1.7	4.5
1936	48.3	53.3	+5.0	9.4
1937	65.4	69.3	+3.9	5.6
1938	88.9	92.3	+3.4	3.7
1939	97.8	97.8	0.0	0.0

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TABLE 27
continued -

Year	Expenditures	Receipts	Deficit (-) or Surplus (+)	(3) ÷ (2) in percent
1940	122.1	123.9	+1.8	1.5
1941	176.8	176.8	0.0	0.0
1942	158.0	174.1	+16.1	9.2
1943	185.4	208.7	+23.3	11.2
1944	217.2	249.0	+31.8	12.8
1945	287.7	315.2	+27.5	8.7
1946	309.3	324.4	+15.1	4.7
1947	---	---	---	---
1948	329.2	335.4	+6.2	1.8
1949	290.1	285.0	-5.1	-1.9
1950	337.3	343.4	+6.1	1.8
1951	346.4 ^P	351.4	+5.0	1.4
1952	364.1	401.7	+37.6	9.3
1953	432.2	436.7	+4.5	1.0

Sources: Taken from Tables 3-10, 17-24. Note that the figures for 1922 to 1926 and possibly to 1939 are not comparable with later figures due to different treatment of government borrowing (see text).

TABLE 28
SCATTERED FINANCIAL DATA
(millions of tugriks)

	1924-28	1927	1928	1929	1931	1932	1933	1936	1940
Expenditures									
Total loans of Mongolbank (First of year)	99.1			14.1	35.1	47.9			
Loans to national economy of industry*(First of year)					12.0	31.0	69.8		
Loans extended over cer- tain period of time to national economy.	99.1	3.4							
Investment from retained profits									
Monetary Circulation			about 9.0				22.2	20.2	53.9

Sources: Mongolbank loans, total - 1924-28: Maslennikov, p. 134.
1929, 1932: Zlatkin, p. 194.
1931: SSE, p. 529.

Loans to National Economy and Industry: 1927, 1933: Ryzhik, p. 186.
1931, 1932: Botvinnik, p. 18 (part may be through budget).

Monetary Circulation - 1928 - Breiter, p. 145.
1933, 1936 - Zlatkin, p. 211.
1940 - Vargin-Zlatkin, p. 227.

TABLE 29
SCATTERED FINANCIAL DATA

	1941	1942	1944	1945	1941 - 50	1944 - 49	1948 - 50	1953
Receipts								
Retained Profits of Enterprise	18.8		about 20.0	21.9				
Profits of Gosstrakh		1.6		3.3				
Expenditures								
Loans extended over certain period of time to national economy.					233.0		110.0	
All Loans						191.07		
Investment from retained profits				about 12.0				18.3

Sources: Retained Profit of Enterprise: From Table 21 and Vargin-Zlatkin, p. 234.

Profits of Gosstrakh: Vargin-Zlatkin, p. 234.

Mongolbank loans: 1941-1950, Maslennikov, p. 134 (just industry), also Trubnikov, p. 39.

1944-1949, Maslennikov, p. 134 (this figure seems too high).

1948-1950, Trubnikov, p. 39 (just industry).

Investment from retained profits: 1945 and 1953: Tsaplina (article), p. 70.

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ces ambiguous. These are presented in Tables and 29.

The period from 1929 to 1932 we know from Soviet sources to have been very inflationary. This was the period in which the "left deviationists" guided economic policy and in which the abortive first Five Year Plan was in operation. Zlatkin (p. 194) admits that inflation gripped the nation due to the excessive credit granted to the socialist sector of the economy. From his statement that, in 1933, following a year of very restrictive financial policy, the tugrik once again became the accepted means of exchange (p. 211), it may be inferred that the inflation had been severe enough to shake people's faith in the currency. The increase in currency in circulation from 9.0 million tugriks in 1928 to 22.2 million in 1933 could certainly have supported an inflation (Part of the new currency may have been necessary however to support the expanding sphere of money activities. Such an expansion would have received some support, also, from the increased velocity of circulation which typically accompanies urbanization and monetization). The currency in circulation in 1932 may well have been even greater than in 1933; the restrictive measures taken after July, 1932 may have begun the downward trend in currency circulation which continued through 1936. Loans by the Mongolbank appear to have been the principal inflationary force increasing by 21 million rubles in the two years ending January 1, 1931, by another 12.8 million in the subsequent

year, and by at least 22.0 million (69.8-47.9) over the year 1932. The budget which typically plays a deflationary role in the financial picture contributes to inflation in this period by 4.0 mn. ruble deficit in 1930 and, undoubtedly, a much larger deficit (since expenditures take such a tremendous leap) in 1932, possibly of the order of 5.0-10.0 mn. tugriks. This deficit was financed by the Mongolbank, as indicated earlier. In terms of available data, for the years 1931-1932, our figures are not quite consistent. On the negative side of the balance sheet we have loans amounting to 13+22 or 35 million tugriks as well as a budget deficit of 5 to 10 million tugriks for a grand total of 40 to 45 million tugriks. On the positive side, we have only a currency increment of less than 13 million tugriks. (Since the 13 refers to the period 1928 to 1933). There might have been a budget surplus in 1931 which would have rectified the balance in part but it would seem unlikely that this could have been large, preceded and followed as it is by deficits. That is to say, if there were continuity in the financial policy at this time, a deficit would seem to have been in order. This suggests the possibility, mentioned earlier, that part of the loans attributed to the Mongolbank may have, in fact, simply been budgetary grants distributed via the Mongolbank.

In July, 1932, the "left deviationists" were displaced and a period of relatively restrictive economic and financial policy was instituted. It was in 1933 that a strict policy of limiting short-

term loans to the financing of goods in process was adopted (Zlatkin, p. 211). This is quite clearly evidenced by the fact that the quantity of money in circulation declined by two million tugriks from 1933 to 1936. It is interesting to note that the high point of Soviet inflation came in 1932 and a very deflationary policy was followed from 1933 to 1937. (Holzman, 1955, chapter 2). Budget surpluses were recorded in 1934 and 1935 and although we do not have the figure for 1933, a surplus appears unquestionable in view of the fact that budget expenditures declined by more than fifty percent from 1932 to 1933. If our analytical framework is a valid one, then it may be inferred that the amount of new Mongolbank loans must have been quite small in this period. (On the positive side of the balance sheet we have budget surpluses amounting to about 10 mn. tugriks, on the negative side a decline in currency in circulation of 2 mn. tugriks, leaving 8 mn. for new loans, all other things equal). We do know that an exception to the short-term loan policy of the Mongolbank was made in 1934 at which time the arats and arat associations were extended long-term credits to improve livestock-raising methods. Funds were loaned for such things as digging wells, purchasing pedigree cattle, haying, etc. These loans were granted at least through 1936 (Ryzhik, p. 180; BSE, 1938, p. 75). It is worth noting that in 1936, the Mongolbank granted to lower lamas special two percent - five year loans for the pur-

pose of establishing themselves in livestock raising (Zlatkin, p. 223).

Credit policy would seem to have substantially looser from 1936 through 1939 than it had been in the previous three years. Despite a series of budget surpluses totalling about 13 million tugriks, currency in circulation increased by almost 35 million tugriks. Other things equal, this implies loans over the period of close to 50 million tugriks (Unfortunately we have no data on retained profits and investment from retained profits. The figures for later periods suggest, however, that typically retained profits were not fully spent providing another source of funds for bank lending). These data would seem to suggest that the 1936-1939 period was one of inflation and it may well have been. Our only price information on the period, however, is to the effect that the prices of many consumers' goods sold by the cooperatives were lowered in 1937 (Vargin-Zlatkin, p. 211).

While the Mongolian People's Republic did not formally participate in World War II, it bore some of the fiscal strains of a belligerent. Specifically, it exported more than its usual quota of goods to the USSR, but was unable to import from them as much as usual in the way of foodstuffs. A goods shortage prevailed and rationing was introduced. We do not know what happened to bank loans or to the quantity of money in circulation, but with a declining supply of consumers' goods, even a constant money supply would probably have involved inflation. The Mongolians appear to have

applied the orthodox fiscal prescription under these conditions: the budget surpluses from 1941 to 1945 are the largest ever averaging about 10 percent of total receipts over the period. Nevertheless, retail prices of industrial products were raised in 1942 (Vargin-Zlatkin, p. 213); since rationing was employed, presumably prices of consumers' goods were controlled at "disequilibrium" prices. Wages, as we have already mentioned, were increased very substantially in 1942 and by a smaller amount in 1943.

The postwar picture is one of successive price cuts. In this respect it marks a break with the past and resembles the Soviet postwar policy. The first three price cuts were put into effect in September, 1946, August 1947, and in 1948 and amounted to 33 percent (average), 23-6 percent, and 5-43 percent respectively. The very strange thing about these price cuts, which appear to be fairly substantial, is that they were put into effect while the country apparently still suffered a shortage of goods and was experiencing repressed inflation. It was not until May 1, 1950, that rationing was eliminated at the same time that another price cut was instituted (Maslennikov, pp. 129-130; Kuibyshev, p. 40; BSE [1954], p. 20; Iurev-Zlatkin, p. 174). According to Maslennikov, the end of rationing and the reestablishment of single-price markets was made possible again by the resumption of normal imports from the Soviet Union. This statement, if it can be taken at its face value, would seem to imply what we have al-

ready stated: that the Mongolian inflation was due primarily to a change in the supply of goods and not to any extraordinary increase in the quantity of bank loans or of currency in circulation. This position is further supported by the fact that, unlike the Soviets, the Mongolians did not have a currency reform. On the other hand, their hurried adoption of Soviet-type postwar price cuts would appear to have been ill-advised until a money-goods equilibrium had been achieved in the consumers' goods markets. (The Mongolians actually began their price-cut system before the Soviets. This may be explained by the fact that the Soviets had to postpone their Currency Reform from 1946 to 1947 because of the poor crop in the former year). *

* Maslennikov provides us with some ambiguous information on bank loans in this period (pp. 134-135). From 1944 to 1949 he claims that the Mongolbank extended 4.191 billion tugriks worth of loans. This figure is certainly incorrect and may have been 491.0 or 419.1 million tugriks. This would be more consistent with his figure for loans to industry for capital investment, a sub-category of the total, of 223 million tugriks for 1941-1950, and 110 million for 1948-1950. These latter figures disturb our earlier hypothesis that, like the Soviet Gosbank, the Mongolbank extends primarily short-term credit for working capital needs, and that the budget provides most capital investment funds on a grant basis. It seems impossible to resolve this problem, however, in the absence of further information.

No further changes in prices took place until 1954 at which time consumers' goods prices were again lowered saving the consumer, this time, about 20 million tugriks (Yakimov, p. 57). Since retail trade turnover must have been about 400 million tugriks, a price cut of about five percent suggested. (BSE [1954] says that turnover was 351.7 million tugriks in 1951). It should also be noted that over the period of the first Five Year Plan (1948-1952) the Mongolbank granted the arat some 24 million tugriks in credit to stimulate livestock production. A look at the budgetary imbalance reveals that the strongly deflationary effect achieved during the war had been jettisoned except in 1952, for a very mild surplus; in fact, a deficit was actually returned in 1949. If the period is as non-inflationary as the succession of price cuts seems to imply, then it may be ventured that some reduction in the amount of new Mongol loans and of increments to currency circulation must have taken place.

Finally, the exchange rate of the tugrik was changed in 1950 from 1.314 to the ruble, the rate since the tugrik was established, to parity (one ruble equals one tugrik) (Kuibyshev, p. 41). At the same time (March 1, 1950), the ruble was appreciated from 5.3 to the dollar to 4 to the dollar. The appreciation of the tugrik represents, therefore, an increase in value in terms of ruble of about 32 percent and in terms of dollars of about 74 percent (from 14.4 cents to 25 cents). The significance of this appreciation would depend on the

extent to which the exchange rate determines the terms of trade between the Mongolian People's Republic and other nations, especially the USSR. In practice, any alteration of the exchange rate can be offset by changes in implied (if bulk trade agreements are concluded) or actual prices of goods exchanged. Since no Soviet writers have taken the trouble to point out the gain in terms of trade to the Mongolians from the 1950 currency appreciation, it seems improbable that any such gains were actually realized. *

* Ames points out that internal monetary effects result from such changes in exchange rates. Cf. Edward Ames, "The Exchange Rate in Soviet-Type Economies", Review of Economics and Statistics, November 1953, pp. 337-341.

APPENDIX

SOURCES AND NOTES TO TABLES

1. All figures are realized except those with superscript "P" which designates planned figures.
2. Attached footnotes containing sources and explanations should be consulted for qualification by anyone planning to use any of the above figures.
3. In this connection, it should be noted that it was necessary at times to use percent of totals from entirely different sources so that the resulting estimate may not be precisely the amount the former source had used in presenting the percentage.
4. Other expenditures are computed as the residue after the following have been deducted from total expenditures: national economy, social-cultural, administration, and defense.
5. In the "percent of total" tables, the percentages are computed as percentages of total expenditures with the following exceptions: health and education under local budgets ; similarly with items under investment.

**SOURCES AND NOTES ON
BUDGET EXPENDITURES OF
MONGOLIAN PEOPLE'S REPUBLIC
1921 - 1930**

1921 - 1925

Total expenditures -- Vargin-Zlatkin, p. 222
except 1925 on p. 226.

1921 - Science - Ustiuzhaninov-Zlatkin, p. 270.

1923 - Starred items from Zlatkin converted from
Mexican dollars at implied exchange rates for
budget expenditures derived from Tugarinov's
Mexican dollars and Vargin-Zlatkin tugriks.

Percentages based on Zlatkin's total.

1923 - National economy - Tugarinov (1926), p.
175. This figure entitled economic expenditures
and converted from Mexican dollars at implied
exchange rate.

1923 - Education - Ustiuzhaninov-Zlatkin, p. 251.
States that 1923 equals 1924/2.5

1924 - National Economy - larger figure from
Tugarinov, p. 175. This figure converted at
implied exchange rates from dollars is consis-
tent with figures for 1925 and 1926. However,
not considered as reliable as smaller figure
from Tsapkin, (article), p. 69.

1924 - Industry and Livestock - Zlatkin, p. 174.

1924 - Social-Cultural - Tsapkin (article), p. 70.

1924 - Education and Health - Zlatkin, p. 175.

These based on percents of total and do not
quite add up to total social-cultural which from
another source (BSE, 1938, p. 78) gives .017
for education -- too small.

3: U. Wash. S-4, 5 1956 AH7 Outer Mongolia AH7

1925 - National economy - Tugarinov, p. 175.

Converted as in 1924.

1925 - Education - Ustiuzhaninov-Zlatkin, p. 271

Says that also spent part of confiscated wealth of Jebtsun Damba Khutukhtu ("Bogdo Gegen") on education. Zlatkin, p. 175, says 1925 equals 1950/85 which is about the same.

1925 - Health - Ustiuzhaninov-Zlatkin, p. 258, states that this for 1/2 year only. Tugarinov (1926), p. 175, says that it was planned to spend 109.6 thousand Mexican dollars for health but not more than 30 percent was used due to failure of doctors to arrive.

1924 - 1925 - Education and science - Tugarinov (1926), p. 176. Converted from dollars at implied exchange rates.

1926

Total expenditures - Zlatkin, p. 174.

National economy - Tugarinov, p. 175. See 1923.

Administrative - Defense - Tugarinov (1926), p.

175. Converted at implied exchange rates, administrative is sum of ministries and administrations (upravlenie).

Livestock - Zlatkin, p. 174. This is based on percent of total.

Health - Zlatkin, p. 175. Based on percent of total.

Education and science - same as 1924 - 1925.

Education - Meng-ku, p. 90 (in Chinese).

1921-1926 - Industry - Iurev-Zlatkin, p. 145.

3: U. Wash. S-4, 5 1956 AH7 Outer Mongolia AH7

1927 - Industry - Iurev-Zlatkin, p. 1945.

1928

Total expenditures - National economy - Social-Cultural - Administrative - Vargin-Zlatkin, p. 226. Social-Cultural substantiated by SSE, p. 529 and Ustiuzhaninov-Zlatkin, p. 251. Industry - Iurev-Zlatkin, p. 145.

1929

Total expenditures - National economy - Social-Cultural - Administrative - Vargin-Zlatkin, p. 226. National economy substantiated by Botvinnik, 17, but higher figure of 4.5 presented by SSE, p. 529. Industry - Iurev-Zlatkin, p. 145. Defense - Botvinnik, p. 17 gives percent of total.

1930

Total expenditure - National economy - Social-Cultural - Administration - Special fund - Vargin-Zlatkin, p. 226. For national economy see Botvinnik, p. 17, gives 20 percent or 5.4 mn., and SSE, p. 529, gives 6.8 mn. SSE, p. 529 substantiates social-cultural. Industry - Iurev-Zlatkin, p. 145. Education - Health - low figures are plan from Schleifer, p. 24. Higher figures are allowance for large total social-cultural actually achieved as indicated by Vargin-Zlatkin. Defense - Schleifer, p. 24. Defense substantiated by Botvinnik, p. 17, as 19 percent of total which amounts to 5.1 mn.

**SOURCES AND NOTES
ON BUDGET EXPENDITURES
1931 - 1939**

1931

Total expenditures - National economy- Social-Cultural - SSE, pp. 528 - 529. Botvinnik, p. 17, gives percent of totals which imply 8.2 for national economy and 8.5 for social-cultural.

Administration - Defense - Botvinnik, p. 17 (estimated from percents of total).

Education - Botvinnik, p. 16, says that budget and other sources together planned to spend about 5 mn. on education.

Health - Botvinnik, p. 16. Don't know whether this is all budget or budget and other sources combined.

Capital investment in industry - Botvinnik, p. 17. Iurev-Zlatkin, p. 131, says that until 1931, total investment in state and cooperative industry totaled 9.1 of which 6.6 is from the budget.

1932

Total expenditures - Vargin-Zlatkin, p. 226.

The same source says 1932 is 2.92 X 1928 or 45.84. 45.0 is supported by Zlatkin, p. 211.

Administrative - Ryzhik, p. 187, says administrative equals 11.9 percent of total.

1933

Total expenditure - Vargin-Zlatkin, p. 227.

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Zlatkin, p. 211, gives 23.5.

Education - Ustiuzhaninov-Zlatkin, p. 253.

Science Committee- Ustiuzhaninov-Zlatkin, p. 253

1934

Total expenditures - Vargin-Zlatkin, p. 227.

National economy - Vargin-Zlatkin, p. 229.

Also Tsapkin (article), p. 69. Ryzhik, p.

187, says national economy is 28.0 percent of total or 10.5. Zlatkin, p. 242, gives 26.4 percent of total which also is slightly higher than the accepted figure.

Social-Cultural - Vargin-Zlatkin, p. 229. Tsapkin (article), p. 70. BSE (1954), p. 217 and Zlatkin, p. 242, give 12.8 percent which amounts to 4.8 mn.

Education - Health - Vargin-Zlatkin, p. 230.

Administration - Ryzhik, p. 187, based on 9.9 percent. Zlatkin, p. 242, gives 9.2 percent or 3.5.

Defense - Vargin-Zlatkin, p. 229.

Capital investment in industry - Ryzhik, p. 182.

According to Iurev-Zlatkin, p. 151, total capital investment in state and cooperative industry until 1934 was 26.7 of which 2.5 was from their own resources.

1935

Total expenditures - Vargin-Zlatkin, p. 227.

Local budgets - Vargin-Zlatkin, p. 231.

Note: A number of figures which may be for 1935 are presented by Ishida, p. 133. The presump-

3: U. Wash. S-4, 5 1956 AH7 Outer Mongolia AH7

tion is not sufficiently strong, however, to include them in the tables .

1936

Total expenditures - Vargin-Zlatkin, p. 226.

National economy - Social-cultural - Administrative - Defense - Zlatkin, p. 242. There is some question about Zlatkin's administration figure since for 1940 it conflicts with Tsapkin (article). See other table. These estimates are based on percentages of total.

Education - BSE (1938), p. 78.

Total capital investment - Tsapkin (article), p. 70. Appears to be budget plus enterprise funds.

1937

Total expenditures - Vargin-Zlatkin, p. 227.

Livestock - Education - Health - Misshima-Goto, p. 38.

1938

Total expenditures - Vargin-Zlatkin, p. 227.

National economy - Social-cultural - Defense - Vargin-Zlatkin, p. 229. Zlatkin, p. 242, says that the national economy is 22.3 percent of total which is almost twice as large as Vargin-Zlatkin. Zlatkin and BSE (1954), p. 217, give fractionally smaller social-cultural. Zlatkin gives fractionally smaller defense.

Livestock - Education - Health - Misshima-Goto, p. 38.

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Administration - Zlatkin, p. 242. The figure is suspect -- see 1936 and 1940.

Local Budget - Vargin-Zlatkin, p. 231.

Total capital investment - Tsapkin (article), p. 70.

1939

Total expenditures - Vargin-Zlatkin, p. 227.

National Economy - Tsapkin (article), p. 69.

Livestock - Hay-making machines - Misshima-Goto, p. 28. In addition to budget expenditure on livestock, 4.7 mn. T. granted through long term loans.

Social-Cultural - Tsapkin (article), p. 70.

Total capital investment - the same, 1939 equals 1940/1941. 628.

Capital investment in industry - Vargin, p. 82.

Education - Perlin, p. 59.

SOURCES AND NOTES - BUDGET EXPENDITURES 1940 - 1945

1940

Total expenditures - National economy - Social-Cultural - Defense - Tsapkin (article), p. 70; Vargin-Zlatkin, p. 227.

Education - Health - Tsapkin (article), p. 70. Vargin-Zlatkin, p. 227, gives 10.0 each for education and health. Perlin, p. 56, supports Vargin-Zlatkin on health. Yakimov, p. 54, also supports Vargin-Zlatkin.

Administration - Tsapkin (article), p. 70. Note that Zlatkin (author), p. 242, states that ad-

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ministration is $\frac{3}{8}$ percent of budget expenditures which amounts to 4.6 mn. tugriks. This figure seems too small. Tsapkin is supported by Ustiuzhaninov-Zlatkin, p. 270, who gives 12.8.

Local budgets - Vargin-Zlatkin, p. 231. It does not say whether figure is for income or expenditure.

Capital investment - total - Tsapkin (article), p. 70. 1940 is 1939 X 1.628. Appears to be budget and enterprise funds combined although not so stated explicitly.

1941-1942-1943

Total expenditures - National economy - Social-Cultural - Defense - Administration -- Vargin-Zlatkin, p. 235.

1941

Capital investment in industry - Vargin, p. 82.

1942

Education - Ustiuzhaninov-Zlatkin, p. 270.

Local budget - Tsapkin (article), p. 72.

1944

Total expenditures - National economy - Social-Cultural - Administration - Defense -- Vargin-Zlatkin, p. 235.

National economy - national economy plus social-cultural minus social-cultural.

Social-Cultural - Vargin-Zlatkin, p. 236. States that 1950 is almost 2 X 1944.

Enterprise funds - Iurev-Zlatkin, p. 167. Implies

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that figure was lower before 1944.

1945

Total expenditures - National economy - Social-Cultural - Administration - Defense -- Vargin Zlatkin, p. 235. For total expenditures, Maslennikov, p. 135, gives 281.9 and Vargin, p. 89, gives 304.4.

National economy - as in 1944.

Social-Cultural - Tsapkin (article), p. 70, state that social-cultural is 25.7 percent of total.

Capital investment - total -- Tsapkin (article), p. 70. 1945 is 2.172 X 1939; 1950 is 2.934 X 1939. Both seem to include budget and enterprise funds.

SOURCES AND NOTES - BUDGET EXPENDITURES 1946 - 1953

1946

Total expenditures - National economy - Social-Cultural - Administration - Defense -- Tsapkin (article), p. 70.

Social security and social insurance -- Same, p. 71. Author states that these categories include expenditures on work disability, invalids, old age, aid to mothers of many children, sanatoriums, rest homes, etc.

Capital investment in industry - Vargin, p. 82.

1947

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1948

Total expenditures - Stepanov, p. 6.

Total expenditures (plan) - National economy
(plan) - Social-Cultural (plan) - Administration
(plan) - Defense (plan) - Tsapkin (article), p. 70.

Livestock -- See 1951.

Art - Ustiuzhaninov-Zlatkin, p. 280.

1949

Total expenditures - Kuibyshev, p. 41. States
that 1949 is 14 percent less than 1950.

National economy -- See 1951.

Livestock -- See 1951.

Social-Cultural - BSE (1954), p. 217. States that
1950 is 10.5 percent larger than 1949. See below
for 1950 source.

Education - Ustiuzhaninov-Zlatkin, p. 270. States
that 1949 is 6 X 1940 and 320 X 1923. Figure
very high compared to 1950??

Local budget -- Tsapkin (article), p. 72.

1950

Total expenditures - Vargin-Zlatkin, p. 236.

National economy -- See 1951.

Livestock -- See 1951.

Social-Cultural -- BSE (1954), p. 217.

Education -- Ustiuzhaninov-Zlatkin, p. 270.

Health - Petrishev, p. 5. Does not state year but
context implies 1950. Says health is more than
14 percent of total budget expenditures.

Local budget -- Maslennikov, p. 140. Local budget
is 27 percent of total budget.

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Local budget - Health and Education -- Maslennikov, p. 140. Health and education comprise 72.1 percent of the local budget.

1951

Total expenditures -- Maslennikov, p. 135.

National economy - Tsapkin (article), p. 70, states that from 1948 to 1952, national economy received 307.8. By deducting known figures for 1948 and 1952, one may obtain the figure for 1949-1951.

Livestock - Tsapkin (article), p. 70, states that from 1948 to 1952, livestock received 97.7 from the budget.

Grain and livestock - Bakulin, p. 3, states that of the more than 10 mn. spent, 4 mn. was on investment.

Social-Cultural -- Vargin-Zlatkin, p. 236, states that social-cultural is 30 percent of total.

Health - 5 mn. tugriks spent on medical institutions alone.

Social security and social insurance -- Tsapkin (article), p. 71. See insert for 1946.

Science - Ustiuzhaninov-Zlatkin, p. 278.

Local budget- Tsapkin (article), p. 72, states that local budgets are 26.3 percent of total.

Capital investment in industry - Bakulin, p. 3, states that 1951 is 5.3 percent greater than 1950.

1952

Total expenditures - National economy - Social-

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Cultural- Administration- Defense -- Tsapkin (article), p. 70.

Note: Planned total expenditures - 374.0 and planned social and cultural expenditures - 115.7. See Bakulin, p. 4.

Capital investment in agriculture - G. P., p. 2, and states that 1952 is more than 10 times 1947.

1953

All data but the following from Tsapkin (article), p. 70.

Local budget -- Tsapkin (article), p. 72., states that health and education are planned at 66.1 percent of local budgets.

1954

Capital investment in agriculture expected to increase by 68 percent over 1953-- Yakimov (1954), p. 55.

SOURCES AND NOTES ON STATE REVENUES MONGOLIAN PEOPLE'S REPUBLIC 1922 - 1930

1922 - 1926

Total revenue - Convert Mexican dollar figures of Tugarinov (1926), p. 172, to tugriks by implied exchange rate computed from Mexican dollar expenditures given by Tugarinov and tugrik expenditure figures given by Vargin-Zlatkin, p. 222. 1926 data particularly unreliable since they are based on conversion ratio of prelimin-

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ary expenditures in dollars to final data in tugriks.

1923 all other - Zlatkin, p. 144. Converted from Mexican dollars as above.

1924 all other - Based on percentages of total given by Zlatkin, p. 174.

1926 - Direct taxes - Tugarinov (1926), p. 172. Converted as above.

1926 - Borrowing and Cash balance - Tugarinov (1926), p. 172. Converted as above.

1926 - Income from state and cooperative organizations - Tugarinov (1926), p. 172. Converted as above. Sum of receipts from state trade and industry plus post office and telegraph.

1926 - (percentages) - Corroborated approximately by Zlatkin, p. 174.

1927 - 1930

1930 - Total Revenue - 1927 - 1930 - Republican Budget - 1930 - Local Budgets - Indirect Taxes - 1930 - Direct Taxes - 1930 - Cash Balance - Income from State and Cooperative Organizations - Schleifer, p. 23. Income from state and cooperative organizations is sum of income from communal enterprises, communication and transportation.

1927 - Total revenue - Ryzhik, p. 187. Total revenue figure seems to be in error since it is smaller than Schleifer's republican budget figure.

1927 - Tax on arats - Ryzhik, p. 187.

1928 - Taxes on population - Vargin-Zlatkin, p. 229.

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1928 - Tax on arats -- Tsapkin (article), p. 68.

1930 - Craft tax on state and cooperative organizations - Tax on arats - War tax - Tax on Monastery livestock - Craft tax on private persons -- Zlatkin, p. 210.

1929 - Profits of state and cooperative enterprises -- Iurev-Zlatkin, p. 151.

SOURCES AND NOTES ON STATE REVENUES
MONGOLIAN PEOPLE'S REPUBLIC
1931 - 1939

1931 - 1933

Craft tax on state enterprises - Tax on arats - War tax - Craft tax on individuals - djass - Zlatkin, p. 210. He states that the drop in craft tax on private persons in 1931 reflects fewer private persons and not lower rates. Zlatkin, p. 209, notes that in 1933-1934, arats paid 2.9 mn. after reductions of 1.0 mn. He does not specify which year.

1932 - Total income - Based on Vargin-Zlatkin, p. 226, statement that deficit in 1932 was covered by Mongolbank issuing currency and the expenditure figure was given as 45.0 mn.

Profits of state enterprises -- Iurev-Zlatkin, p. 151.

1934

Total Income - Vargin-Zlatkin, p. 226, and Yakimov, p. 54. Maslennikov, p. 135 and Tsaplin (book), p. 86, give 37.6.

Income from state and cooperative enterprises -

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Turnover Tax and Customs - Deduction from
Profits - Taxes on Population - State Loans
and Lotteries -- Vargin-Zlatkin, p. 228.

Tax on Arats - Ryzhik, p. 187.

1935

Total Income - Vargin-Zlatkin, p. 226.

1936 - 1937

Total Income -- Vargin-Zlatkin, p. 226.

Income from State and Cooperative Enterprises

Tax on arats -- Misshima-Goto, p. 40.

Data not trustworthy.

State Loans and Lotteries -- Misshima-Goto,
p. 40. They claim a loan of 1.005 mn.
tugriks for education in 1937.

Tax on population in 1936 -- Vargin-Zlatkin, p.
229.

1938

Total Revenue - Vargin-Zlatkin, p. 226.

Income from state and cooperative enterprises -

Turnover tax and customs - Deduction from
profits - Tax on population - State Loans and
Lotteries -- Vargin-Zlatkin, p. 228. Misshi-
ma-Goto, p. 40, give 38.3 for total reve-
nue. Also claim defense loan of 3. mn. (See
1939).

Tax on monastery cattle -- Misshima-Goto,
p. 39. They state that this is tax on lamas.

Tax on Arats - Misshima-Goto, p. 39.

1939

Total Revenue - Vargin-Zlatkin, p. 226.

Tax on population -- Vargin-Zlatkin, p. 229.

Stated as 20.5 percent of total.

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State Loans and Lotteries -- Vargin-Zlatkin, p. 229. They call this the first defense loan, and it may not be only a loan.

**SOURCES AND NOTES ON STATE REVENUES
MONGOLIAN PEOPLE'S REPUBLIC
1940 - 1945**

1940

Total Revenue - Vargin-Zlatkin, p. 226.

All other categories -- Vargin-Zlatkin, p. 228.

1941 - 1945

Total Revenue , 1941 - 1945 -- Local budgets, 1941 - 1945 -- Republican budget, 1941-1945 -- Profits of Enterprise, 1941 - 1945 -- Profits of Gosstrakh, 1942, 1945 -- Income from Enterprise, 1945 -- Deduction from Profits, 1945 -- Taxes on population, 1941 - 1945 -- Vargin-Zlatkin, p. 234. Note that Maslennikov gives 1945 total revenue as 302.2.

1941 -- Livestock Tax -- Tsapkin (article), p. 68.

1940 - 1944 -- State War Loans -- Vargin-Zlatkin, p. 233, says 2nd to 5th loans amount to more than 80.0 mn.

1942 - 1947 -- Money-Goods Lottery -- Tsapkin (article), p. 69.

1945 -- State War Loans -- Vargin-Zlatkin, p. 234. States that taxes on population plus loans is 19.4 percent of total, and taxes are 15.2 percent, leaving 4.2 percent for loans.

1944 - Social Insurance -- Tsapkin (article), p. 69.

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Profits of Enterprise -- Iurev-Zlatkin, p. 167.
1945 - Turnover Tax - Subtraction.

**SOURCES AND NOTES ON STATE REVENUES--
MONGOLIAN PEOPLE'S REPUBLIC
1946 - 1953**

1946

Total Revenue -- Tsapkin (article), p. 66.
Tsapkin (Book), p. 86 gives 323.8.

1947

Taxes on Population plus loans -- Maslennikov,
p. 136.

1948

Total Revenue -- Stepanov, p. 6. Tsapkin
(article), p. 66, gives much lower figure,
326.9. But Stepanov supported by Vargin-
Zlatkin (trade), 218, who indicate that state
receipts from trade are 148.4 which is 44 per-
cent of total income or 337.3.

Income from Enterprise -- Tsapkin (article), p.
66, says 61.2 percent of total. Maslennikov,
136, and Stepanov, p. 6., both say "more than
205". Note that of the 205.3, 148.4 was de-
rived from trade (Vargin-Zlatkin, trade, p.
218).

Taxes on Population and State Loans -- Stepanov,
p. 6.

1949

Total Revenue -- Kuibyshev, p. 41, says that 1949
is 17 percent less than 1950.

Money-Goods Lottery -- Tsapkin (article), p. 69.

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It is not clear whether this is plan or realized.
This is 10th money-goods lottery.

1950

Total Revenue -- Vargin-Zlatkin, p. 236; also
Maslennikov, p. 135.

Income from Enterprise -- Maslennikov, p. 136.

Income Taxes on Persons working in State and
Cooperative Enterprises - Income and Industrial Tax on Self-employed Persons --
Maslennikov, p. 136.

1951

Total Revenue -- Maslennikov, p. 136; G. P. ,
pp. 3-4. Tsapkin (article), p. 68, implies
348.5 when he says that the livestock tax is
12.9 percent of total.

Livestock Tax -- Tsapkin (article), p. 68, when
it states that 1951 equals 1941 X 1.36.

Money-Goods Lottery -- Tsapkin (article), p. 69.
It is not clear whether this is planned or realized.
This is the 11th money-goods lottery.

1952

Total Revenue (plan)-- Bakulin, pp. 4-5.

Total Revenue (actual) - Tsapkin (article), p. 66.

Income from Enterprise -- Tsapkin (article), p.
67.

Deduction from Profits -- Tsapkin (article), p. 67
Turnover Tax - Subtraction.

1953

Total Revenue: actual - BSE, 1954, p. 206;
(plan) - Tsapkin (article), p. 66.

Income from Enterprise - Tsapkin (article), p. 67

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Tax on Population and Bond Sales - BSE, p. 20
Tax on Population - Tsapkin (article), p. 68 --
may include loans -- states "receipts from
population".

Livestock Tax - G. P., pp. 3-4,
Income Tax on Workers and on Self-employed -
G. P., pp. 3-4.

1954

Livestock Tax - Yakimov (1954), p. 55.

**BURYAT-MONGOLIAN
AUTONOMOUS SOVIET SOCIALIST REPUBLIC**

- Supplement -

This Supplement dealing with Buryat Mongolia is submitted by the Far Eastern and Russian Institute of the University of Washington in partial fulfillment of Subcontract No. HRAF-10, Wash-1, dated April 1, 1955. The major work done for the Mongolian section of the Subcontract [Appendix A, Article C, 7 (3)] was the Handbook for the Mongolian People's Republic (Outer Mongolia), and this Buryat Mongolian section is only supplementary. The Outer Mongolian Handbook absorbed most of the time and energies of the research team. A thorough coverage of the Buryat Mongolian ASSR would require expenditure of funds, time, and effort comparable to that devoted to Outer Mongolia. Therefore this Supplement is submitted as a preliminary and tentative suggestion of what could be done; it is not offered as a Handbook for Buryat Mongolia.

However, much of the material in this section has either actually been written by , or derives from information supplied by, Dr. Nicholas N. Poppe, one of the world's leading Mongolists, and a man who has spent many years working in Buryat Mongolia and in close collaboration with Buryats. His contribu-

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tion to this Supplement is extremely important.

James Hirabayashi, John Krueger, and
the undersigned also contributed to the
Supplement.

William B. Ballis
Robert A. Rupen

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Historical Setting

The Buryats at the Time of the Russian Conquest

17th Century

The Buryats are a Mongolian people and inhabit the area around Lake Baikal in Eastern Siberia. At the present time that area is an autonomous Soviet republic, namely the Buryat-Mongolian Autonomous Socialist Soviet Republic, where about 250,000 Buryats live.

The Buryats speak a Mongolian language and before 1931 they used Written Mongolian as their literary language. At the present time they write in their own dialect with Cyrillic letters. Most of the Buryats are Buddhists, though those living West and North of Lake Baikal are shamanists. Relatively few Buryats had been converted to Christianity by the Russians as early as at the beginning of the 19th Century.

The Buryats were nomads a few decades ago. The Western Buryats (in the former Irkutsk Guberniya) were also engaged in agriculture, and therefore, seminomads or even completely sedentary.

The Buryats were conquered during the 17th century and since 1728 they have been definitely incorporated in the Russian empire.

The Buryats belong to that category of

"the natives," the so-called "inorodtsy" ("those of alien origin") which under the new regulation resulting from the reforms of Speranski were called "nomads." Thus they stand on a higher level than the so-called "vagrant people" (in Russian: "Brodiachiye"), such as Tungus or other small tribes. They had a higher social organization than the Tungus or Karagas. They were also much stronger militarily than many other tribes in East Siberia. In olden times they depended politically upon the princes of Outer Mongolia. Thus, the Buryats are much more complicated and developed than many other tribes.

I. The Buryat Tribes of the 17th and 18th Centuries

At the time of the appearance of the first Russian conquerors in the region of Lake Baikal, i. e., at the end of the first quarter of the 17th century, the Buryats were not a united or consolidated people. Instead, there were three Buryat tribes, namely the Bulagat, Ekhirit, and Khori.

It is known about the Buryat tribes in the 17th century that the Bulagat occupied mainly the Kuda steppe and the Ekhirit lived around the present Verkholsensk and south of the latter. As for the Khori they inhabited Transbaikalia where they live now.

Besides the mentioned tribes there were a few other groups. For instance, in Northern Transbaikalia, in the steppes of the Barguzin region the so-called Barguzin Buryats lived. These are newcomers from the area West of Baikal and from the island of Olkhon. They arrived in the Barguzin area as late as around 1740, i.e. under the Russian domination.

A special group are also the Buryats of the Selenga valley. They consist of eighteen clans, including ten clans Outer Mongolian by origin. It is known that in consequence of wars and internal feuds in Mongolia in the 17th century, which resulted in the submission of Khalkha (which is the greater part of Outer Mongolia) to the Manchu emperors, at various times large and small groups of Mongols fled to the territory of present Buryat country. Thus, e.g. in 1675 the official ("prikaznyi chelovek") Pavel Shulgin of the Nerchinsk city office reported that Buryats ("bratskie liudi") had moved from Mongolia to the vicinity of Nerchinsk, and in 1680 other emigrants from Mongolia appeared there. In the time between 1717 and 1719 the Tabangut clans moved to the territory of what is presently Buryat-Mongolia. The reason was that they suffered from attacking Mongols. At the same time the chieftains of the Ataghan clan moved together with their people in the territory belonging to Russia.

This indicates that in order to judge the Buryats of the 17th century it is necessary to investigate the Ekhirit, Bulagat, and Khori. As the other groups do not count, because they are newcomers, emigrants who appeared in Buryat Mongolia much later. The Buryats were divided in clans at the time of the first arrival of the Russians.

The ethnic name "Buryat" was applied first to the Western Buryats, i.e. the descendants of Buriadai whose twin sons were Ekhirit and Bulagat. When in the 1640's the Cossack ataman (chief) Vasili Kolesnikov arrived in the valley of the Angara river, he found there Buryats ~~living~~ ruled by the Bulagat chieftain (in Russian: kniazetz, i.e., "little prince") Chokodei. According to the Buryat annalist, Vandan Iumsunov, the Khori Buryats were, later on, called Buryats because they lived not far away from the Buryats. This indicates that the name "Buryat" became the common name for the whole people only at a later date. Apparently at the beginning only the tribes living West of Lake Baikal (i.e. the Ekhirit and Bulagat) were called Buryat, and the Eastern Buryats called themselves only with the name "Khori."

From this the conclusion can be drawn that the formation or consolidation of the Buryat people, i.e. the fusion (or merger) of the above mentioned three tribes (and also the recent newcomers in the 17th century) took place only after

the Russian conquest.

II. The Russian Conquest of the Buryat Country

We have seen above that the Russian conquerors had found in the present Buryat-Mongolia not a people but the mentioned Buryat tribes.

It is known that at the beginning of the 17th century the Russians penetrated in the basin of the Yenisei River. In 1618 the Yenesei Ostrog was built, i.e. the Fort of Yeneseisk. It soon became the stronghold for further penetration. In 1628 the city of Krasnoyarsk was founded and the Russians started their expeditions upstream the river Kan into the "Bratskaia zemlia," i.e. into the country of the Buryats. At the time, in the areas along the rivers Kan, Ienissei, and other rivers, there lived not Buryats, but various tribes subjugated by the Buryats, which paid tribute to their Buryat masters. These were the Arintsy, Kachintsy, Kot or Ket (i.e. the Ienissei Ostiaks), Kamassin (i.e. Samoyedes), and Dasary. All these tribes were very soon conquered by the Russians. Nevertheless, the Buryats continued to invade those areas and take by force tribute (the so-called "yassak") from those tribes. Thus as late as 1622 the Arin chieftain (kniasets) Tatush sent a warning to the Iuss and Chulyrn Tatars that Buryats were going to attack them, having sent out for this

purpose as many as 3,000 men, the auxiliary troops of their dependent tribes, the so-called Kishtim not being included in this number. Soon news was brought that the Buryats had reached the bank of the river Kan.

Rumors about the great number and might of the Buryats were greatly exaggerated. However, it is true that the Buryats were better organized than the little tribes. Besides they had their own tributaries, the so-called Kishtim, while the more primitive native tribes of Siberia did not have any Kishtim.

In order to find an effective policy toward the Buryats the Russians had to know what the Buryats looked like. Therefore, in 1623 an expedition headed by Zhdan Kozlov, Vasili Lodygin, and Anani Ivanov was sent out. In the written order issued to them, which has been preserved in archives, it was explicitly said that the expedition should persuade the Buryats to submit themselves to the Tsar of Moscow. The expedition had also to collect information and find out whether the Buryats were nomads or sedentary, bring the names of the chieftains, to investigate the strength and might of their armed forces, etc. The expedition was ordered to find out how large the armed forces were, whether the Buryats were engaged in trade, what they were selling or buying, and whether there were any fortifications. According to Miller no information of the results of that expedition is available. It is not even known whether it ever succeeded.

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In 1627 Maksim Perfilyev was sent with forty cossacks upstream the river Tunguska (i.e. Angara), but he did not reach the aim of the journey and was able to get yassack only from the Tungus.

The first successful expedition to the Buryats was that of the voevoda (commander) Iakov Khripunov in 1628. He reached the river Oka (not to be confused with Oka, a tributary of the Volga) and took prisoners and slaves. In the same year 1628 Petr Beketov, too, undertook a successful raid and reached Oka.

However, the Buryats were not conquered as a result of one battle. Much more successful was the Russian method of the gradual penetration and assimilation of the occupied territory. In the first place fortifications were erected, the so-called ostrog. Thus the ostrog was built on the Angara River at the estuary of the river Osva in 1631. The Kansk ostrog was built in 1640. The Verkholsk ostrog was built in 1641. The Udinsk ostrog was founded in 1648 and Balagansk ostrog was built in 1654. In 1661 the Irkutsk ostrog was finally built, and this meant that the Buryat country West of the Lake Baikal was conquered.

The other method of integration of the occupied territories was the settling of Russian peasants. Thus already in 1640-41, when the conquest of the country West of the Lake Baikal was still in its initial stage, Petr Golovin and Natvei Glebov already submitted to the Moscow

authorities full data concerning the lands fit for agriculture. In 1641, simultaneously with the construction of the Verkholsk ostrog, Russian peasants were settled along the Lena River. In 1648 the Buryats revolted against the invader and destroyed the Russian farm houses on the river Tutura. In general, in 1679 in the upper part of the Lena River there were already six peasant "volosti," i.e. communities. Of them the Anginsk volost' was situated in the Buryat territory. In 1688 five hundred Russian families were moved to that area, and three years later another 160 families, and in 1691 five hundred ploughers were settled there from Verkhoturye.

Almost at the same time Transbaikalia was conquered. Thus, the Verkhne-Angarsk ostrog was built in 1647, and Barguzin ostrog in 1648, the Verkneudinsk ostrog was founded in 1649, Nerchinsk in 1658, and the Selenginsk ostrog in 1666.

The Khorï Buryats became Russian subjects at the time of Aleksei Mikhailovich in 1648 and soon belonged to the office of the voevoda (commander) of Nerchinsk (which was built in 1658). However, the political boundary of Transbaikalia and Outer Mongolia was definitely established in 1728.

Thus, the ultimate conquest of the Buryat country occurred between 1661 (West of Lake Baikal) and 1689 (Transbaikalia).

III. The Economic Life of the Buryats

The Buryat tribes Ekhirit, Bulagat, and Khori lived, at the time of the first Russian appearance in their land, close to each other. There were no strict boundaries between their grounds. In general, the Bulagats lived in the basin of the Angara River. The Ekhirit lived in the Lena basin, and the Khori inhabited Transbaikalia. The other, non-Buryat tribes were in the first place the Tungus. These lived mainly along the Lena river, in some places they lived mixedly with the Buryats. North of Lake Baikal, reindeer-breeding Tungus lived. The Buryats, in contradistinction to these Tungus, were horsebreeding people, since they had horses and rode horseback. On the Selenga River lived Mongols who raised cattle. In general, the Buryats were nomads. The economic basis of their existence was stock-husbandry.

According to the Buryat historians the Khori tribe subsisted since times immemorable on breeding of camels, horses, cattle, sheep, and goats. The animals were grazing in open air throughout the year. No hay was ever cut.

Similarly, the Western Buryats are also mentioned as cattle breeders. Thus, already in the reports of the first cossack atamans (chiefs) who clashed with the Buryats in the area called Pribaikalye (i.e. country West of Baikal) large herds of Buryat cattle and horses are mentioned. The nomadic Buryats

are also mentioned, e.g. in a document of 1640, in which it is also reported that the Buryats living on the island of Ol'khon had large numbers of horses and other livestock. We also learn from the traveller and explorer Georgi who traveled in 1772 that cattle husbandry was the main occupation of the Buryats one century after the above mentioned documents. George points out that the Buryats at his time were very wealthy. He met Buryats who possessed - each household - one thousand camels, up to four thousand horses, up to seven thousand sheep, and from two to three thousand cattle.

In old sources no precise statistic data on cattle can be found, but here is what the Buryat historian, Sakharov, says about the Barguzin Buryats in 1887: in the territories of six tribal offices (rodovye upravleniya) 5150 males and 5472 females lived. The total number of the Buryats governed by those six offices was 10,622 souls. They possessed 130 thousand heads of stock comprising 20 thousand horses, 45 thousand cattle, 60 thousand sheep and 5 thousand goats. The per capita number of domestic animals was 13.

It would be incorrect to say that agriculture came to the Buryats through the Russians. On the contrary, the first Russian settlers in the Western parts of the Buryat country reported that the Buryats already had agriculture, namely they raised millet. Thus the raising of millet on the island of Olkhon was mentioned in the above mentioned document of 1640. Millet crops were

seen at that time at the source of the river Ilga and on the river Onga (Anga) where Vas'ka Vitiazev, Kurbatko Ivanov, and other persons saw millet crops on the grounds of the Tungus "little prince" Mozheul. Millet was also raised by the Buryats living by the river Angara according to the data of 1641.

Millet was probably grown in large amounts, because the Buryats were able to use it for sale. Thus, under the same year 1640, it is reported that the Buryats were getting from the Tungus living along the River Kyrenga sables in exchange for cattle and millet.

Millet does not require careful tilling of the soil and needs no everyday work. Therefore, raising of millet was compatible with transhumance.

Among the Eastern Buryats, i.e. the Khori mainly, agriculture appeared apparently only under Russian influence. The Khori annalist Vandan Tumsunov mentions, for instance, that agriculture, namely the growing of rye, wheat, barley, and oats began only in 1792 by decree of Empress Catherine II. How slowly agriculture was developing in Transbaikalia can be seen from ^{the fact} that the Barguzin Buryats as late as in 1886 had only 3,390 desyatiny (1253 acres) of fields out of the total 230,192 desyatiny (86,000 acres) comprising meadows, pasturages, forests, bad lands, etc.

Part of the Buryats, namely those living on the island of Olkhon, fish at the present time, but there is no data concerning whether or not

they fished in the 17th century. However, there is ample evidence that the Buryats hunted. These data are rather old. Thus, Vandan Iumsunov says that the ancient Khori hunted game and wild animals with their bows and arrows and sold or exchanged the furs.

Hunting was probably the more ancient occupation of the Buryats. An indirect proof of this can be found in that the survivals of the clan society still in preservation are connected exactly with hunting. What is meant here is the Buryat communal chase-hunt, the so-called Zegete aba, which was made on antelopes and other prairie animals by mounted Buryats of a whole community. The last hunt of this sort was witnessed by Peter Simon Pallas near Aksha at the end of the 18th century. The booty of such a hunt was equally distributed among the members of the community, whereby even those not participating members, e.g. sick and old people, women, and children got their share.

Thus we should say that in the 17th century the Buryats were nomad cattlebreeders, but they also hunted and had agriculture in the shape of raising millet.

IV. The Relations of the Buryats and Their Weaker Neighbors.

What were the relations between the Buryats and their neighbors at the time shortly before the Russian conquest? This

question can be answered in this way: on one side, the Buryats dominated over some of their weaker neighbors; on the other hand, they themselves depended upon the more powerful Mongols.

The Buryats were better organized and much stronger than many of their neighbors, and therefore, they dominated the latter since times immemorable. The subjugated tribes were called the Kyshtym or Kishtim, i.e. tributaries. We shall see further below that many of the Buryats were tributaries of the Mongols. Thus the Kyshtym were tributaries of the tributaries, so to say, tributaries of the second degree.

Who belonged in the category of the Buryat Kyshtym? As early as in 1628, when Krasnoyarsk was built, it was reported that on the territory of what later became the Krasnoyarsk and Kansk Uyezd (i.e. counties of Krasnoyarsk and Kansk) various Turkic tribes were living. These were probably related ethnically, linguistically and culturally to the present Soyot or Tuva. These Turkic tribes were paying tribute (yassak) to the Buryats. Another Turkic tribe paying tribute to the Buryats were the Kachintsy, i. e. the Turks on the Kacha River. At the same time non-Turkic tributaries of the Buryats were mentioned, namely the Arintsy, Kotovy, Kamasintsy, and Desary. The Arintsy - extinct even before Castren's journey in Siberia in the middle of the

19th century - were related to the Kot or Ket i.e. the Yenisei Ostyaks, a small paleoasiatic tribe which now counts some two thousand souls and lives on the middle Yenisei. The Kotovy are the same as the Kot. The Kamasintsy are a small Samoyed tribe in the Sayan mountains of which in about 1910 still five or six people remembering their former language existed. It is not known, however, who the Desary (Dyesary) were. It is known that in 1609 the Tomsk military people sent a military expedition to them in order to collect tribute (yassak), but they did not get it, because not long before the Buryats had collected yassak from them.

In 1618 it was reported that the population of the Tul'kinskaya Myestnost' (i.e. the country of Tulka) were attacked by the Buryats who took everything saved by the former in order to deliver it as yassak to the Russians.

The Buryat Kyshtym were particularly numerous in the regions along the river Biryussa up to the river Uda, according to the data collected by the Ataman Yermolai Ostafyev during the first quarter of the 17th century. It is obvious that these Kyshtym were Karagass whose region later on became the Nizhneudinskaya Zemlitsa i.e. "the little country of Nizhneudinsk".

Along the River Uda and further in the direction of Yeniseisk the Buryats also collected Yassak from the Kamassintsy, Kot, and probably also from the Kaidyntsy, Yastyn, and other tribes.

Behind the River Ilim up to the Lena River, Tungus lived, e.g. on the river Kyrenga. They were also Buryat Kyshtym.

The least submissive kyshtym of the Buryats were the Tungus. In areas where the Buryats were not natives but newcomers or invaders and where they constituted the minority of the population, the Buryats had many difficulties in their struggle against the Tungus. In Buryat annals data on cruel struggle between the Buryats and Tungus are found in large numbers.

Vandan Iumsunov, for instance, reports that while moving along the river Onon (belonging to the Amur system) the Khori Buryats met there the Tungus of the Uliat clan who were so strong that the Buryats preferred to settle on the rivers Uda, Khilok, Kurba, and Chikoy, and on the Lake Iernavna. The greatest battle took place on the river Nercha. The Khori-Buryats were led by Babuji Bars Bator, the son of Beki Buge of the Khuasai clan.

The Buryats who in the 18th century arrived in the Barguzin region were forced by local Tungus to fence their grounds. Nevertheless, the Buryats suffered frequent attacks by the Tungus who took much loot. The most famous were attacks by the Tungus headed by the chieftain by the name of Zugei. The Buryats called those raids "the Zugeian looting".

This is not the appropriate place to investigate the question about who has to be blamed for that enmity. It is possible, of course, that sometimes the Tungus started inimical actions and conducted aggression. But it seems to be more probable that the Buryats were the aggressors and the Tungus were usually the suffering side. At any rate, the Buryat-Tungus enmity was great. It is understandable that the Tungus at the first appearance of the Russians deserted to the latter and joined them, served them as guides and interpreters, and were faithful allies of the Russians in their struggle against the Buryats.

There are many examples of Tungus co-operation with the Russians. In 1630 the Ataman Beketov went up the Lena river and arrived at the estuary of the river Kulenga where Buryat grounds began. Tungus served as guides. Together with them was also the Tungus "little prince" (knyazets) Lipka who acted as an interpreter. A fight was started between the Russians and the Buryats. In this combat Lipka and two other Tungus men were killed. The hatred and the anger of the Buryats was directed especially against the Tungus who were regarded as traitors. The Russians had to withdraw back to the estuary of the river Tatura where Tungus lived who were friendly to the Russians.

With the help of the Tungus the Russians

crossed the Ilim River and arrived at Lena where Tungus kyshtyms of the Buryats lived. The Russian cossack chieftain Vasili Vityazev imposed yassak on the Lena Tungus. After this the Tungus "little prince" Mozheul acted as Vityazev's mediator in all relations with the Buryats.

In 1641 Vasilii Vasilyev secretly penetrated with the help of the Tungus in the Buryat "Ulus" (settlement) of the Buryat "little prince" Chepchuguy. The Russians took twenty yurts (households, tents) and killed about thirty Buryats in them. In this battle Chepchuguy died fighting valiantly.

When in 1645 an uprising of the Buryats occurred and the latter besieged Verkholsensk, they were not able to take it. But they terrorized the population of that area and especially the Tungus, who after that became afraid of having any dealings with the Russians, because this might bring retaliation from the Buryats.

When a considerable part of the Buryats living on the Selenga River fled to Mongolia the Tungus immediately reported this to the Russians in 1665. Many more examples of Tungus collaboration with the Russians can be cited.

V. The Relations between the Buryats and Mongols

As said above, the Buryats had their own kyshtym, i.e. tributaries, e.g. the Tungus,

Karagas, etc. But the Buryats in their turn depended in the 17th century upon the Mongolian khans and paid them tribute.

The dependence of the Buryats upon the Mongols was of very ancient date. It is not quite known when the Buryats became first tributaries of the Mongols. It is known from old legends and historic sources that in olden times the Mongols frequently attacked the Buryats.

Thus, e.g. Vandan Iumsunov relates a story that once upon a time the Mongols were planning a raid against the Buryats living in the Barguzir region. The Buryats decided to employ a trick and placed mannequins in the shape of warriors. When the Mongols approached and saw them they mistook them for a numerous army. At the same moment swans moving to warm countries were flying above the Mongols. The cries of the swans were mistaken by the Mongols for the sounds of trumpets. The Mongols were frightened and believed that reinforcement was coming to the Buryats, and they retreated.

According to another legend, in 1594 a certain Dai Khon Taiji and his wife Baljin, who had got as her dowry the eleven clans of the Khori Buryats, fled from the oppression of his father to what is now Buryat country. His father, Bubei Beile, sent out his followers in pursuit. The latter killed Baljin, but the Buryat her subjects, dispersed in all directions.

The flight of the Buryats from Mongolia

as repeated in 1604. It is known also that the taghan clan of the Buryats, whose chieftain sakhir had obtained from the Mongolian khan the title "Bars Baator" ("The Tiger Hero") at the end of the 16th or at the beginning of the 17th century fled from Mongolia to the Buryat country. They were led by the above mentioned sakhir and another chieftain by the name of aikin.

There is much information about Buryat-Mongolian relations in the Russian sources dating from the 17th century.

In the "Register of the rivers from Yenisei to Lena" compiled in 1640 or 1641 it is stated that the first Mongols living close to the Buryats were those conducting their transhuming on the right bank of the Selenga River. The Buryats had constant trade relations with those Mongols and sold them furs for silver. It is said also about those Mongols that their prince was Kontaisha. The latter is the Mongolian title Khon Taiji which is of Chinese origin (Huan Tai-tseu).

The Cossack Vasilii Vitiazhev who in 1640 made his raid about which he made a report, described in his report the Lena-Angara area and states after the words of the Tungus "little prince", Mozheul already mentioned above, that the Buryats frequently went to the Mongols and vice versa, i.e. the Mongols often came to the Buryats. Mozheul was sent by Vitiazhev to those

Buryats and he delivered to the Buryats living on the river Anga the demand to pay yassak (tribute) to the Russian authorities. The Buryats refused and gave as an alibi for this that they were already paying yassak to the Mongols living in Transbaikalia. This is a very important indication that the Buryats were really tributaries of the Mongols.

The Buryats were, however, in a very difficult position, between the hammer and the anvil. They had to pay yassak to their masters, the Mongols, but on the other hand, they had also to pay to the Russian invaders. They were able to pay either to the one or to the other, and this meant that they had to refuse the yassak payment to one of them. But in 1648 the Udinski Ostrog (the Ostrog on the Uda River) was built and a battle of the Uda cossacks and the Buryats of the Bulagat clan took place on the river Oka and Ia. As a result, the Buryats apparently were forced to pay yassak to the Russians. But in the following year the Mongols came, attacked the Buryats and forced them to stop their yassak deliveries to the Russians. The Buryats under their compulsion revolted against the Russians and killed the Cossacks who had come to collect yassak.

While the Tungus kyshtym preferred to surrender to the Russians in order to be freed from the Buryats, the Buryats in the 17th century preferred to remain tributaries of the

Mongols. The reason for this is obvious. The Buryats were strangers to the Tungus and the Tungus did not forfeit anything when changing from the Buryat domination to the Russian domination. On the contrary, they could only gain by doing so, because there was more law and justice under the Russians than under the Buryats. The Buryats are closely related to the Mongols and speak even the same language or a very close dialect. Therefore, when the chieftain of the Balagansk ostrog, Ivan Pokhabov committed his atrocities against the Bulagat clan the latter fled in 1658 to Mongolia. In 1655 the Ekhirit clan made an attempt to flee. A report concerning the flight of the Bulagat in 1658 is also found in the general report of Druzhinka Popov. The latter reported on the basis of information given by the Buryat Moksoika that the Buryats who had fled from Balagansk had escaped into Mongolia behind the Sayan mountain range. There they were living with their "little princes" under the protection of the Mongolian taishas. In order to prevent the Buryats from returning to their homeland, the Mongols had placed between them and the frontier about 500 Mongols and Oirats. The latter had also to prevent the Russians from coming in and taking those Buryats.

Unfortunately for the Buryats feuds broke out in Mongolia, which resulted from the war of the Oirat ruler Galdan Boshoktu. This

caused the Buryats who had escaped from Russia to Mongolia to return to Russia. An example is the Buryats belonging to the Ashabagat clan. They conducted their transhumance between the Altai and Khangai mountain ranges, but in 1684 decided, together with their taiji (prince) to become Russian subjects, in order to escape the great disorder in Mongolia, created by Galdan Boshokta.

Those who returned to Russia did not get to their former native places. Thus e.g. in 1665 Osip Vasilev learned through the Tungus that along the Selenga and the Chikoi rivers Bulgats were living who had returned from Mongolia but prior had lived in Russia near Balagansk. They did not go back to their native places near Balagansk but settled in the Selenga valley.

It is also known that in 1717-1719 the Tabanguts fled from Mongolia where they had suffered from raids.

These migrations and escapes from Russia to Mongolia and back again came to an end only when in 1728 the Burinsk treaty of Russia and China was concluded which also resulted in the establishment of definite political frontiers between both empires. At that time the prohibition was issued to cross the frontier and migrate from one empire to the other. This prohibition was violated by a certain Shildei Zangi of the Galzut clan of the Khori Buryats. He was arrested by Russian authorities and executed.

There is a legend about this event.

Speranskii Reforms

The old administrative scheme was changed in the course of the reforms carried out by Count Speranskii, the governor-general of East Siberia at the beginning of the 19th century. Under the reforms of Speranskii, (since 1822) the Kontora ("Office") became Stepnaya Duma, i.e. The Steppe Duma (Step Council). Each tribe was allotted such an office. There were such dumas in the area of the Khori, in the Selenga Valley, in Kuda, Balagansk, in Ida, etc. The "Chief Taisha", the head of the Duma, became the "Supreme Chief of the Clans" or "President". His aides (Second, third, and fourth taishas) were renamed as Zasedatel (Assessor). The "Community Houses" were abolished and each clan received its "Inorodnaya Uprava" (Magistrate of the Natives") headed by a golova ("head"). He had two officials (aides) called Vibornyi, i.e. "The elected one". As each clan lived dispersed in various places, these localities had their lower offices, the so-called Rodoviye Upravleniya "The Clan Offices" with a starosta (elder) and two aides in each of them. The Rodoviye Upravleniya kept records about the people, collected tribute (later on, taxes), and were responsible for maintenance of order within the locality in question.

This system remained until the end of the 19th century when it was abolished and the Buryats were governed along the same rules as the Russian farmers. The reforms of Speransk did not abolish the electoral principle and the local self-government. As before, only in case of major crimes were the Buryats subject to Russian criminal courts. In all other cases they were subject to their own laws. The latter were declared void at the end of the 19th century. After this the Buryats were subject only to Russian courts in all matters. Thus, the last decade of the 19th century brought to the Buryats the final integration in the Russian with only one exception, namely, the Buryats remained free from military draft, because they were still considered as "inorodtsy" i.e. "natives". Only the Soviet revolution in 1917 brought an end to their inorodtsy-status.

The freedom from military draft did not mean that under the Tsars the Buryats were denied the privilege of serving their homeland with arms in their hands. The right of voluntary military service was granted to them at a very early date. Under Peter the Second in 1728, the Khori Buryats were granted the name of the Irregular Siberian Army and received eleven gilded banners (each one for a clan) and under Nicholas I, in 1837, the old and worn out banners were replaced by beautiful new ones. Besides, large groups of Buryats

inhabiting the Selenga Valley were granted rights equal with the local Russian Cossacks and were incorporated into the Selenga Cossack Armed Forces. This privilege was never taken away by the Tsarist government, but the Soviets dissolved the Cossacks soon after the civil war (1917-1921), because the Cossacks proved unreliable. Most of the Cossacks in European Russia and elsewhere joined the anti-Bolshevik generals Denikin and Kolchak. But in the 1930's the Soviet reinstated the Cossacks. The Selenga Cossacks were also restored.

Soviet Period

A Soviet writer on Buryat Mongolia in referring to the November (October, Old Calendar) 1917 revolution writes, "The October Socialist Revolution uniting the proletariat with the poor peasantry finally liberated the Buryat Mongols, together with the other nationalities of Russia." [Pomus, p. 28].

This is the standard line of Soviet writers who extol the nationality policies of the USSR. They also quote the Declaration of Rights of the Peoples of Russia signed by Lenin and Stalin on November 15, 1917.

1. Equality and sovereignty of the Russian peoples.
2. Right to self-determination, includ-

ing secession and the formation of independent states.

3. Abolition of all national and national-religious privileges and restrictions.
4. Free development of national minority and ethnic groups inhabiting Russian territory.

In 1918 and 1919, Siberia was occupied by the Allies and White Armies. At the end of 1919, the Red Army moved into Siberia and in March 1920 captured the Buryat-Mongolian capital of Verkhneudinsk which was later named Ulan Ude. The Far Eastern Republic of Siberia was established and included the eastern part of the Buryat Mongolian territory. The western Buryat Mongols were included in the Russian Soviet Federated Socialist Republic in the Irkutsk region. [Pomus, p. 29].

The Communist officials in European Russia were, according to Kolarz [p. 117], less enthusiastic than the Siberian Communists to recognize a special status for the Buryats, but they did allow one in the Irkutsk region.

Articles of the constitution of the Far Eastern Republic of Siberia concerned the special position of the Buryat-Mongols in that republic. Article 116 stated, "The entire area inhabited by the Buryat-Mongols shall form a special territory under the name of the Autonomous Buryat Mongol Province." Under Article

118 the Buryat Mongols were given the right to have their own courts and economic, cultural and administrative entities in their country. Article 119 provided for the establishment of an Assembly which gave the Buryat Mongols the right to pass laws on local matters. [Kolarz, p. 116].

In 1922, the Far Eastern Republic of Siberia joined the Russian Soviet Federated Socialist Republic. On May 30, 1923, the Presidium of the All-Russian Executive Committee of the Congress of Soviets decided to "Unite into a single Buryat-Mongolian Autonomous Soviet Social Republic and the two autonomous areas in Soviet Siberia and in the Far Eastern Republic of Siberia, with the capital at Verkhneudinsk (now Ulan Ude)" [Pomus p. 29]. Six months later on December 4, 1923, the first Congress of Soviets of the BMASSR convened and elected a Central Executive Committee and a Council of Peoples Commissars. This was the standard Soviet governmental system for the USSR, the Union Republics and Autonomous Republics of the USSR.

On August 11, 1937, in conformity with the Stalin Constitution which changed the Soviet system by changing names of higher governmental bodies, the extraordinary Seventh Congress of Soviets of the BMASSR adopted the new constitution of the BMASSR.

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The government today and administration of the economy of the **BMASSR** is no different from any other Autonomous Republic of the **USSR**. It has the same constitutional framework as other republics.

Article 3 states "All power in the Buryat Mongol **ASSR** belongs to the working people of the town, ulus and village as represented by the **Soviets of Working Peoples Deputies**."

Land and property is owned by the State as indicated in Article 6. "The land, its natural resources, waters, forests, mills, factories, rail, water and air transport, banks, means of communication, large State agricultural enterprises (**State farms, Machine Tractor Stations and the like**) as well as municipal enterprises and the bulk of the dwelling houses in the cities and industrial localities are State property, that is, belong to the people as a whole."

The governmental hierarchy is the same as for other republics. Article 39 provides:

"The Council of Ministers of the **BMASSR** is responsible and accountable to the **Supreme Soviet of the BMASSR** and in the intervals between sessions to the **Presidium of the Supreme Soviet of the BMASSR**."

The administration of justice is under the **Public Prosecutors** who are subordinate to

the **Prosecutor-General** of the **USSR** and the **Public Prosecutor** of the **RSFSR**. Article 85.

Elections are conducted in the **Soviet manner**. Nominations are made in fact by the **Communist Party**. The **Communist Party** is mentioned in Article 93 of the **BMASSR Constitution**.

"In conformity with the interests of the working people, and in order to develop the organizational initiative and political activity of the toiling masses, the citizens of the **BMASSR** are insured the right to unite in public organizations, trade unions, cooperative organizations, youth organizations, sport and defence organizations, cultural, technical and scientific societies and the most active and politically conscious citizens in the ranks of the working class and other sections of the working people unite in the **Communist Party** of the **Soviet Union** which is the vanguard of the working people in their struggle to strengthen and develop the socialist system, and is the leading core of all organizations of the working people, both public and State." [Constitution of the **RSFSR** and Constitution of the **Autonomous Soviet Socialist Republic**, Moscow, 1952, pp. 115-137 quoted in Kolarz, pp. 145-146].

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The Soviet system which governs the Buryat-Mongolian ASSR is essentially a Party dictatorship operating through Soviets with the state security organs and the Prosecutor's office checking on the conduct of the system.

Population and Ethnic Groups

Population

The population of Buryat Mongolia, according to the census of 1926, totaled 524,102 -- 264,861 men and 259,241 women (Pomus, 1943, p. 31). Buryat Mongols constituted 43.2% of the total population, the remainder of the population being made up of numerous other nationalities, mainly Russians. 90.5% of the Buryats in the Soviet Union at this time lived in Buryat Mongolia. Thus some 226,000 Buryats of a total of 250,000 lived within the ASSR. In the rural areas 47.9% of the population was Russian, 6.0% Jewish and 3.1% Buryat (SSE Vol. 1, col. 411, 1929). According to the census of 1939, the population of Buryat Mongolia numbered 542,170 persons (Pomus, 1943, p. 31, footnote) however, due to a change in the administrative structure in 1937-1938, four western and two eastern aimaks were detached from the BMASSR and placed under the Chita and Irkutsk administrations; therefore the 1926 and 1929 censuses are not comparable.

Ethnic Groups

The minority ethnic groups in Buryat Mongolia include some fifty different nationalities. The main groups include Mongols (Khalkha, Kalmyk, Oirat, etc.) who migrated north from Outer Mongolia and peoples of Tungusic tribes along the northern boundaries of Buryat

Mongolia.

The Buryat Mongols were divided into three tribes, the Ekhirit and Bulagat tribes to the north and west of Lake Baikal and the Khori tribe which occupied territory to the east and south of Lake Baikal. These tribal groups, including later immigrants from Mongolia were divided into territorial groups (Baradiin, B. and Kotvich VI. NES Vol. 8, Col. 682-691). In the former Irkutsk Gubernia were before the Revolution:

(1) Tunkin, consisting of fourteen clans living along the valleys of the South Baikal mountains and in the upper reaches of the Irkut River and its tributaries; (2) Kitoy, three clans living along the middle course of the Kitoy River; (3) Kuda, sixteen clans living along the Kuda River and its tributaries up to Lake Baikal; (4) Kapsal, four clans on the upper reaches of the Kuda River; (5) Alar, eleven clans in the downstream area of the Belaya and Irkut rivers to the south of the Moscow-Irkutsk route; (6) Balagan, twenty-four clans on both banks of the Angara River; (7) Ida, twenty-nine clans along the Ida River and in part on the right bank of the Angara River in the upper section of its course; (8) Upper Lena, seven clans along the banks of the Lena River and in the downstream region of the Kulenga and Manzarka rivers; and (10) Ol'khon, nine clans on the Ol'khon Island and near the shore of Lake Baikal. There are also a few ulus of Buryats in the Nizhneudinsk Okrug, these consisting of two small communities

In the Trans-Baikal Oblast', the Buryats were divided into the following groups: (1) Bargus, five clans living along the Barguzin River; (2) the Udarin, four clans along the coast of Lake Baikal and in the downstream area of the Selenga River; (3) Selenga, eighteen clans along the valleys of the Selenga, Chikoy, Dzhida and Temnik rivers and (4) Khori, eleven clans living along the rivers Uda and Khilok.

Physical Features

The Buryats represent a pure Mongol physical type characterized by straight coarse black hair, yellow-brown skin color, brown eyes with an upper eye lid with total "Mongoloid" eye fold, nose with a low bridge and of medium breadth, molars with strong lateral and frontal roots and sparse body hair. Other characteristics include a body build of a proportionately long torso and short extremities, short stature averaging under 167 cm., shovel shaped incisors, an occurrence of a sacral (Mongolian) spot during early years of life and an extremely high cephalic index (brachycephalism).

Buryat Social Organization

Introduction

The recognition of descent in the paternal line is the basic principle of the Buryat kinship system. This fundamental precept ordered the social organization, governed the social relationships and resulted in kinship-based association such as family, lineage, clan and tribe.

According to Buryat traditions, all members of the tribes were ultimately united by ties of blood relationship by virtue of having a common mythological ancestor. Tribes were subdivided into patrilineal clans, the members of which all derived their relationships, real or fictional, through being descended from a single ancestor. Clans were usually further divided into patrilineages whose members are related by descent from an actual, and not mythological, ancestor. The basic sociological unit in the Buryat social organization was the patriarchal family.

This system of patrilineal descent, then, formed the basis of a patriarchal tribe-clan-family order. Principles of mutual ownership, cooperative action, and reciprocal aid, reinforced the social organization and gave solidarity to those units primarily based on kinship.

Tribal Organization

In the earliest historic times, the Buryats were divided into three tribes (zon); Bulagat, Ekhirit and Khori. (The term "tribe" here defined as a group of clans occupying a contiguous territory and having a sense of unity derived from having a single leader and various similarities of culture). Generally speaking, the Khori tribe occupied territory east of Lake Baikal (Trans-Baikalia), while the Ekhirit and Bulagat tribes were situated to the west and north of Lake Baikal (Cis-Baikalia). The Ekhirit were mainly in the basin of the Lena River, while the Bulagat lived in the Angara River basin. The organization of the Buryat peoples into tribal groups or clan federations seems to have been a rather late development. (Krader, 1953, p. 55.)

These three tribes, although believed to have originated from a common mythological ancestor "Bargu-batur", never had been unified prior to Russian conquest. There are no references to inter-tribal wars nor are there any indications of the tribes ever having completely unified against a common enemy. (Poppe, personal communication.) The Tsarist government, however, treated all the tribes as a unit and referred to them collectively as Buryats. (The term "Buryat" originates from the name Buriadai, the ancestor of Ekhirit and Bulagat, the mythological progenitors of the Ekhirit and Bulagat tribes). Thus the Buryat tribes first came to

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think of themselves as a single unit, both political and cultural, under Russian domination.

In addition to the original three tribes, there are other groups within the Buryat territory commonly referred to as tribes. These groups are not tribes in the true sense of the term. Groups such as the Selenga, Alar, and Tunkinsk Buryats were territorial groups consisting of a combination of clan Buryat and non-Buryat origin. Thus, for example, the clan composition of the Selenga "tribe" was as follows: The number of clans totaled 15 -- Khall clans numbered four, having moved north to Buryat territory prior to the disintegration of the clan system in Outer Mongolia, the remainder of the Selenga clans were Ekhirit and Bulagat clans.

At the head of the tribe was a chief (zaisan, a Manchu term, later in the Seventeenth Century taisha, a word of Chinese origin, Poppe, person of communication). These chiefs were elected by clan chiefs and functioned as leaders during the tribal hunts and during wars. The taisha presided over tribal councils, administered tribal laws and was responsible for tribute collecting when the Mongols began exacting tribute from the Buryat tribes.

Important in the examination of the tribal organization is the institution of zegete-aba (tribe hunt). Zegete-aba (zegen - wolverine; aba - hunt) represents one of the most ancient institutions of Mongolian common law. It gave solidarity to the social group and provided the basis for military

organization and later of the civil administration.

Usually, the tribal members gathered in the fall to form a zegete-aba. Among the Verkhoensk Buryats, as many as 1,000 to 1,500 hunters participated (Shchapov, see Bogdanov, 1926, p.13). Each person brought his own meat, butter and sour cream which was then put into a common supply cache. An overall leader was chosen and the entire group divided into smaller units, each with its own leader. The organization of zegete-aba was similar in the Khori tribe. (Vambotsyrev in Bogdanov, 1926, p. 13). Members of all eleven Khori clans gathered at the meeting place in the Fall. They divided into seven units called *olon gal* (fire groups). Each unit had its own leader (*galchi*) and assistants and its own password or cry (*uria*). The overall leader of the Khori tribal hunt was called *tobchi*. His two assistants, *zasul*, were each in charge of a wing. Each wing was divided into *gals* (fire groups) headed by a *galshi*. The *galshi* had two assistants called *gasarshu*.

All the spoils of the hunt were distributed equally among members of the tribe. Elderly people who were unable to participate in the hunt received an equal share. Women participated in the hunts equally with men and often excelled in horse riding, bow shooting, etc. The importance of female participation in these hunts is revealed in the presence of equipment necessary to participate in the hunt, such as horse with saddle,

a quiver with arrows and a bow, in the dowry of the bride.

With the development of the Buryat herding-agriculture economy, zegete-aba began to fall out of general practice. The last zegete-aba witnessed by a European was in 1772 (Pallas, *Reise durch verschiedene Provinzen*, Vol. 3, p. 204.) In the beginning the zegete-aba was an artel of hunters but this institution soon acquired military function. The characteristics of military organization were even extended to peacetime. The leader of a fire group (galsha), for example, was the head of the entire society of that unit. Khangalov speculated that he "commanded all zegete-aba people during the battle, as well as in their home life and in military actions." (Khangalov, as quoted by Bogdanov, 1926, p. 14). This position in the beginning elective, later became inherent. The galsha, then, had civil, spiritual, as well as military authority.

Thus, tribal organization was solidified as a result of the zegete-aba. It provided a means whereby all clans of the tribe were unified with a single objective under a single leadership. This organization was then extended to include military duties and finally formed the basis for the development of the civil administration.

The tobchi, zasul and galshi were the titles of the leaders of the hunt but these same leaders were also the officials in the civil administration and had civil titles. Thus the tobchi of the hunt

as a taishi in the civil hierarchy.

Clan Organization

Tribes were subdivided into clans(otog). The Khori tribe originally consisted of eleven clans but a subsequent division of two clans resulted in a total of thirteen clans. The Ekhirit tribe was divided into eight clans while there were six Bulaat clans. Among the Selenga and Alar groups there were fifteen and nineteen clans respectively. Generally, place names constituted the major source for the naming of the clans. However, it seems that the names were not all of ancient origin and some originated during the period of Russian domination while others were of Mongol origin. Clan chiefs (Zangi, later called shulenge) were elected to govern the clans. There is also evidence that this office became hereditary in some clans in more recent times.

Buryat clan organization was characterized by a common name, commonalty of property and interests, in addition to common patrilineal descent. The elements of clan organization among the Northern Buryats . . . were common descent and good relationship, the presence of a clan elder, common lands, clan irrigation system, clan deities and clan sacrifices (talaiga), a clan shaman, clan sacred fire, clan kuringa (sour milk), clan honour and clan courts." (Petri in Riasanovsky, 1937, 214). Social solidarity resulted from this clan mode of life. Clan members participated in

cooperative work and practiced mutual aid.

Clans tended to be localized. Due to clan organization, communal interests, and communal properties, it was necessary for clan members to live together. If the clan were large, then sub-groupings of clans could live in different areas but remain as a unit within each area. Clan members did not live scattered among families of other clans. In the Lena district, for example, five Chernorud clans lived in one area and formed a clan federation. Most of the Abazai clans were located in the Verkholsk district.

Lineages

Generally speaking, clans were further subdivided into lineages. (A group consisting of unilineal descendants of a known common ancestor. Members of a lineage were able to trace back in their genealogies to a single ancestor. Thus in the Sharalday clan of the Bulagat tribe, six generations before Bogdanov (a Buryat scholar - 1887-1919), there were four brothers: Khadaykhan, Khapkhan, Khapkhay, and Khar'nay. From these four brothers, there evolved four lineages. These lineages functioned as units within the clan structure. During the clan distribution of uncultivated areas (urochishche - uninhabited areas used for pasture, growing hay or for hunting) each of these lineages is allotted a separate area by the clan council which is then redistributed within the lineage itself. Horses of lineage members all bore

the same brand markings. During clan communal sacrifices, each of these lineages had their own places, own fires, separately made libations and each brought animals for the sacrifice. A feeling of unity or consciousness of kind consolidated members of the lineage, excluding members of other lineages. These groups were usually named after the name of their progenitor. The term urug (relative) was attached to the name, thus the Khadaykhan lineage would be referred to as Khadaykhan-urug.

The number of lineages in a clan depended upon the size of the clan. If the clan remained small, lineages would not develop. If the clan were large, it divided into several subgroups. Within the Sharalday clan territories, for example, there were more than ten such groups in the latter half of the Nineteenth Century. (Bogdanov, 1926, p. 95).

Lineages would be subdivided in the same manner if the membership of a lineage increased greatly. In the Khapkhan-urug three generations after it had been founded, two subgroups, Bainki-urug and Markhay-urug developed. These two groups, although they formed two sizeable uluses (village, see below), still, up to the beginning of the Twentieth Century, acted as one unit on important occasions. With the continued growth of such subgroupings of lineages during several generational periods, the increased sizes of these units necessitated their development into full-ledged lineages.

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Village

The Buryat community was known as an ulus. Technically, the term ulus means village, a territorial unit, and does not refer to any specific kinship grouping. An ulus may be composed of a clan, lineage or a subgroup of a lineage depending upon the size of these kin-groups. However, since the ulus usually consisted of related households, it may be termed a kin-community. In some cases an entire clan may occupy an ulus. According to Petri: "The Buryat clan represents a strictly exclusive community made one by the presence of a hereditary clan elder, common territory, one ooloos (ulus), common camp sites, common local deities, common sites and sacrifices and many other elements . . . a community lived as one large patriarchal family, closely bound together not only by common descent and blood relationship but also by a community of material interests". (Petri as quoted by Riasanovsky, 1937, p. 214).

Related uluses usually were situated near each other. In this manner the related ulus units concentrated in an area comprised a clan unit.

Due to the nature of the division of clan territory, it was not practical for a non-clan family to be in an ulus composed of households of another clan. This may have occurred in isolated cases, when the outsider's clan lands were nearby or if a family had been granted permission to graze their herds on the clan land

of the ulus members. In this way, even outsiders could be gradually assimilated into the clan system. Due to the extent of communal property and cooperative work between clan members of an ulus, it would be much more practical for a household to operate within an ulus composed of members from his own clan.

Household

The ulus consisted of household units (ail). The ail was the smallest economic unit within the ulus. The ail may include one or more nuclear families (bolo) but all members of the household worked as one economic unit under a single head man.

The historian Shchapov conducted his research among the Buryats in the 1870's and wrote the following description of the composition of an ulus among the Verkholsk Buryats: Each ulus consists of several stake fences arranged in a circle or an ellipse. Within each enclosure are from one to three or more yurts with additional farm buildings such as a barn, shed, storage building, granary, baker, etc. In one of the yurts lives the senior male of the family with his wife and unmarried children. In another yurt lives a married son with his family. If the household elder has more married sons, they too live within the enclosure in yurts on either side of the father's house. (Shchapov, in Riasanovsky, 1937, p. 213).

This unit, ail, had common fields, haying grounds, and herds of livestock. All members of

the enclosure worked together and sometimes even ate together. During special occasions such as feasts, they all participated as one family.

The Kinship System and Social Organization

Patrilineal descent was the continuum which transcended all social grouping making up the tribal whole, beginning in the family and continuing through the household, the village, the clan and finally the tribe.

Ecological and demographic factors influenced the formation of kinship groups. The ecological conditions of a given area limited the practical size of a social group. If the unit grew beyond that, it became necessary for its members to divide into sub-units and live in separate but contiguous areas or completely separate areas. In this manner, clans may divide and form lineages and lineages further subdivide into sub-lineages. The distinction between a clan and lineage, therefore, is not necessarily sharp and mainly resides in the social consciousness of the people. The lineage being limited in generation count to an actual known predecessor is composed of close relatives while a clan, being of greater antiquity and thus composed of more distant relatives and even extended to include peoples with a fictional kinship tie does not evoke as intimate social consciousness among its members.

The necessity for solidarity in each social unit was manifested in its socio-economic life.

Within a household, much was common - livestock, pastures, fields, etc. and within an ulus, especially small ulus of ten to fifteen households, there were common bakeries, granaries, blacksmith shops and also common livestock tenders. Tarasun (wine) dried mutton, steamed rye or wheat were all considered private property but such property was shared with anyone in need.

The communal clan government and courts provided clan solidarity. Clan elders were the judges, the jury selected from among clan members. The sanctity of kinship and sacredness of the clan union, the clan commune, as a force of the instincts of a consanguineous clan communal sympathy is recognized as the truest, highest and holiest guarantee of the justice and judgement and sanctity of an oath in court, the elders, the heads of families, the heads of the clan are all supreme judges, guardians of truth in the clan commune. The court is held in the meeting of the ulus in the presence of the whole clan commune of the ulus." (Shchapov, in Bogdanov, 1926, p. 98).

The joining of separate clans into wide clan unions by a complicated federal clan social structure gave basis for the solidarity of the tribe. Tribal unity was also reflected in land ownership. Buryats considered land the common property of the tribe. Pasture and hay growing areas within tribal lands were divided among clan federations, among the clans in the federations, among the uluses within the clans and finally among the households within the uluses. Common ownership

had an extensive practical meaning for the Buryats. If a certain grazing or hay crop land usually depended upon by an ulus for some reason or another failed, then they were free to graze on other parts of the communal lands of the clan. The yields of hay or grass differed in different areas thus there was a necessity for free movement over a large territory. The specialized economy of the pastoral-agricultural Buryats necessitated a unique relationship of man to land.

We see from the foregoing that solidarity of the kinship-based social groupings came as a result of common interests, communal ownership of property and common government with a single leader over all the units.

In summary, the kinship-based social organization at the time of Russian contact was as follows:

1. Bolo. A nuclear family. The husband and father was the head man.
2. Ail. A household consisting of one or more related nuclear families, usually an extended family, under the leadership of the head man of the senior family.
3. Ulus. A village, a territorial unit consisting of 15-20 related households. The head man was called zasul.
4. Lineage. A unit composed of partilineal kinsmen of an actual traceable progenitor. The leader of this group was known as shulenga.

- 5. Clan. A unit composed of several lineages with a common real or fictional ancestor. The head man was called zaisang.**
- 6. Tribe. A unit comprised of a group of related clans. A taisha was the overall leader of the Buryat hierarchy.**

Clan organization since the 17th Century

Clan organization of the Buryats remained in force long after it had ceased to exist among the Mongols of Outer Mongolia. Clan organization in Outer Mongolia was already being altered during the time of Chinggis Khan and by the Twentieth Century almost all traces of its former existence had been lost. The Buryats, however, never were subjected to the same acculturative processes and many features of the clan organization remained until the modern period.

There were a variety of factors which affected the pure clan organization of the early period and while the form remained the same, the meaning and content of the clan organization was gradually altered. Some of the important factors effecting the change were the development of the military organization and the change in the basis of Buryat economy from hunting-gathering first to herding and later to agriculture. These factors affected the close kinship relationship within the clan units, thus changing the social consciousness of the members of these groups.

The old clan structure also formed the basis for the administrative reforms instituted by the Speransky statutes of 1822. Clan communities enjoyed wide self-determination as the statutes based the administrative structure and courts on the existing clan organization. The highest administrative unit was the steppe дума, supervision over the дума belonged to the governor-general or the oblast' authorities.

Clans began to lose more of their original character after the new administrative units began incorporating new duties and dispensed with some of the old clan functions. Buryats themselves had begun to develop national consciousness at the expense of clan feeling. The Russian government in the early 1900's furthered the process by beginning to institute reforms to bring the Buryats closer to the Russian peasant administration. Steppe думы were replaced by native bureaux in Irkutsk Gubernia and native volost administrative and courts in the Trans-Baikal Oblast' were established on the basis of the territorial principle.

All civil cases were administered by native courts in accordance with the customary law of the Buryats but more serious criminal cases fell under the jurisdiction of general legal establishments. Several clans of the Selenga Buryats were included in the composition of the Trans-Baikal Cossack troops and were administered on a common basis with them.

The native bureaux of the Irkutsk Gubernia

were divided into uluses and the volost of the Trans-Baikal into buluk --the original clan community still lay at the basis of this division.

During the Soviet period, however, further changes have been instituted which have all but erased the remaining vestiges of clan organization. Sedentation and collectivization into kolkhozes without attempting to conform to the old clan units has destroyed clan unity. Administrative districts based purely on territorial divisions and the elections of representatives of these units have further led to the elimination of clan feelings. All that remain of the clan institution are a few superficial elements such as clan names and even these last vestiges are disappearing under the Communist educational program.

Family

The basic Buryat family unit, a nuclear family consisting of a married couple with their offspring, was called bolo. The bolo was the basic social unit and although it may have been a part of a household it remained a separate social unit within the ail. In a closely knit household, bolos even dined together, but always lived in separate yurts. Parents often built yurts for sons long before they reached marriageable age. The nuclear family sometimes included adopted children. Often these were related children or orphans of members who belonged to the same clan.

Marriage

The Buryat family was usually based on monogamous marriage. (For exception see below) At no time were primary relatives allowed to marry. According to Bogdanov, who bases his conclusions on an ancient moral code, marriages were permitted among the representatives of a clan in the seventh generation. (Bogdanov, 1926, p. 94). Buryat clans represent parallel descent male lines from brothers, first and second cousins etc. The degree of closeness or remoteness of these and other lines determined, until recent times, whether marriage was permitted between their respective members. If marriage was not permitted, they would mutually refer to each other as *uula*, and carries the connotation of a very close relative. If the lines are sufficiently removed, then members of these lines refer to each other as *khari* (foreigner).

In line with the patriarchal character of the social organization, the characteristic form of marriage was by purchase. A payment, *kalim*, either in money or more often in livestock, was paid. The amount of *kalim* paid depended upon the wealth and social positions of the families involved. The amount usually varied between five to 100 head of livestock but the rich paid more, sometimes up to 400 head of livestock. The dowry which accompanied the bride, in such a case, totaled about a quarter of the worth of the *kalim*.

Bridegrooms with no resources could work for a period of time for the father of the bride in lieu of the brideprice. This was still in practice in the Nineteenth Century with the exception that a half of the kalim had to be paid in cash and the other half through labor.

Buryat law also recognized matchmaking and exchange marriage, *anda*. In exchange marriage two fathers agreed to exchange daughters or their sons, the kalim being cancelled in such cases. Because of this, exchange marriages were popular among those who could not afford large payments of kalim.

According to Buryat law, betrothal was carried out by the parents of the bride and groom, or by their nearest relatives and witnessed by clansmen. These betrothals often concerned minors and sometimes children not yet born. Refusal to consummate a betrothal did occur, as well as elopement of people already committed to marry someone else, but these were punishable by an assessment of a property fine or by the forfeiture of the brideprice.

That marriage was not considered an individual affair is clear from the foregoing facts. It was a relationship between families and clans. All members of the clan helped with the wedding expenses. They considered it their duty as clan members to uphold the name of the clan and thus brought wine and food to entertain the wedding guests. Clan members assisted the groom's

father in the payment of kalim by either giving money or property or by lending him money at interest.

Abduction and elopement as forms of marriage had evidently at one time occurred to limited extent. These, being individualistic in nature and not family or clan affairs, were liable to punishment by customary law. However, among the Northern Buryats, abduction with the consent of the bride was practiced when the bridegroom could not pay the kalim and the bride's parents refused to allow them to marry otherwise. This abduction was not individualistic in nature as it was carried out with the help of the bridegroom clansmen.

The custom of levirate, i. e. a widow marrying a younger brother of her deceased husband, occurred among the Buryats. According to the Steppe Code: ". . . in the event of the husband's death she (wife) has no right whatever to separate herself from his relatives, since in payment for her the husband's sister or other close kinswoman was given, or kalim; and in this case she is bound to become the wife of her husband's brother, or his other close relative, even of her father in law." (Riasanovsky, 1937, p. 234). This strict rule was modified in more recent years. A widow could refuse to marry a brother in law or some other relative of the husband and in this case the parents of the husband then would be obliged to marry her to another person thereby regaining the kalim, or she may

return to the home of her parents and the kalim would be refunded.

Buryat customary law recognized the institution of polygamy (Riasanovsky, 1937, p.236). Early European travelers to this area reported it as a common occurrence. However, due to the expense of brideprice, only the wealthy could afford many wives. Usually, the second marriage was permissible with consent of the first wife if the first marriage proved barren and a third marriage with the consent of the first two wives if there were still no children.

The first wife was considered superior in the household and supervised the domestic economy, the other wives being considered her younger sisters were obliged to obey her.

Upon the death of a husband of a polygamous family, the woman with the children became the head of the family. The childless women returned to the homes of their parents.

The practice of polygamy gradually ceased with Russian contact. The Western Buryats, influenced by the Russian Orthodox Church in the Seventeenth Century, were the first to stop practicing polygamy. Later it was abolished among the rest of the Buryats by Russian civil law.

Divorce was relatively simple among the Buryats. Mutual agreement or the unilateral desire of either the husband or wife was sufficient. In the early days, it was more difficult for women to initiate divorce proceedings. If the divorce was by mutual consent, the dowry was returned to the

wife. If the husband wanted the divorce, the kalim need not be returned. If, however, the wife desired the divorce, the kalim was returned.

Marriage, then, did not involve individual relationships as much as group relationships. Primarily, it was an inter-family relationship but it also involved inter-clan relations. The wedding itself also involved active group participation. The importance of the group and the corresponding relegation of individualism in marriage reflects the character of the strong patriarchal society. A woman, in this society, must not only be compatible with her mate but must also become an integral part of the economic and social organization of the household and the ulus.

Inheritance

The inheritance of property among the Buryats differed according to the type of property involved. Inheritance patterns of incorporeal were different from those of corporeal property. The principle of primogeniture (succession of first son) obtained in incorporeal property, i.e. titles, position of respect, prestige, authority, etc. Thus, for example, seniority of position in the ulus passes from father to eldest son. In case of extinction of a senior line, the succession passed to a junior collateral line, either to the line of the founder's younger brother or to the younger brother of the deceased. All collateral lines of descent were ranked

According to seniority, thus leadership was always available and there was little disputation over succession. (Krader, 1953, p. 25).

Due to the provisions made by Buryat customary law making it possible for the separation of the sons during the lifetime of their parents it was usually the youngest son who inherited the household of his father. The elder sons having already received a share of the family property did not receive as much as the youngest son at the final division of family property after the death of the parents.

The size of the family property also influenced inheritance patterns. There was no division of property if the total holdings were too small. There was a practical lower limit beyond which the herd could not be split and yet maintain a household.

Daughters share of the family property was included in her dowry, which she always kept as her own property. Unmarried daughters received their mother's jewelry and her personal belongings when she died. In a polygamous household, daughters received only a share of their own mother's dowry.

Adoption

Adoption rules were explicit. Since rules of adoption forbade the leaving of the clan, only sons of clansmen could be adopted. The sociological parents then completely replaced the biological parents. The adopted son enjoyed full rights of

inheritance. Among the Khori and Selenga Buryats, at a later period, wills were executed naming adopted children and wards as heirs. If there were no heirs, a person then appointed someone, during his lifetime, to use his property after his death. Wills were confirmed by clan elders. In the case of no will, adopted children inherited property on equal terms with other children. (Riasanovsky, 1937, p. 252.)

There existed a provision for an entire clan to adopt orphaned children. A clan member was appointed as the children's guardian, and he managed the herds until the eldest son reached adulthood. The guardian had rights to all the increases of the herd but was not held responsible for any decreases. If a sister married, the guardian held the kalim in trust for his ward.

Thus in the Buryat kinship system where the importance of patrilineal descent is emphasized, there were several means whereby the extinction of the line was prevented such as customs of levirate, polygamy (mentioned above), and adoption.

Interpersonal relationships within the family

The allocation of authority within the family remained in line with the patriarchal character of family life. The power of the head of the family was considerable and in ancient times may have extended to absolute control in all matters of life. The basis of this authority

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lay in the kinship system reinforced by the concentration of social, political and economic power in the head of the house. Theoretically a powerful position, this authority was not usually despotic in character due to the necessity of cooperative work within the household. In the case of the wife, for example, a high brideprice was paid for her in the beginning and she formed an important and necessary part of the household in the economic role of the home-maker. The bride's dowry once included a kettle for the hearth, the guardian of which she became in the husband's new yurt. "A wife taken by a Buryat in marriage is esteemed as one bought but not a serf, being his equal helper in their mutual life." (Riasanovsky, 1937, p. 243.)

Among the Buryats, paternal power was shared by the parents although the authority of the father predominated. Buryat law not only provided for the children to respect their parents but also for certain duties of the latter in respect to the former. Parents were obliged to provide for their children, bring them up, give them dowries and endow them with property at the time they wished to separate from the paternal household. Authority over sons lasted until the sons were thirty-five to forty years of age and until they reached this age and had adult sons of their own, they were not to disobey their father. Even if their father were dissapating the family holdings, the sons could not

deprive their father of his power. The only recourse was to appeal to the chief who then counceled the father to mend his ways. (Petri in Krader, 1953, p. 70).

In summary, strong parental authority, characteristic of ancient times, changed to a more general authority in more recent times. Family life was characterized by a great degree of cooperation and permeated by mutual love and consideration.

Interpersonal relationships outside the family

The head of the lineage settled disputes among the members, even disputes between members of the same household. He combined with other lineage leaders to settle wider issues. The family heads obeyed their lineage leaders in the same way they expected family members to obey them. As the lineage leader in special cases intervened in intra-family affairs, he limited parental authority to some extent. This authority, as in the family, was based on the patrilineal kinship system reinforced by respect for elders.

Two principles governed relationships between persons in criminal and civil cases, the principle of causation and the principle of fault. (Riasanovsky, 1937, p. 248). There were provisions in private law where the principle of causation, the older form of fixing responsibility, was applied with varying degrees of responsibility.

If anyone accidentally caused damage or loss, the damages were borne equally by both parties. If anyone commissioned another to work and the latter injured himself, the former was liable for two-thirds of the expenses. When a hunter got shot during a hunt, however, the guilty party paid full damages. Later, Buryat customary law included provisions fixing responsibility on the principle of fault. If damages were sustained by someone and negligence established on the part of either party involved, that person would assume full responsibility for damages. Thus if cattle destroyed crops, the owner of the cattle was liable if the offense occurred through his negligence but if the fence happened to be in bad repair, then he was not held responsible.

Clan courts, in settling disputes, relied heavily on close kin relationships and group action. If there were an insufficient number of good witnesses (only disinterested parties were introduced as witnesses) and the accused did not confess, a close kinsman took an oath of innocence for him. If no one could be found to take an oath, the accused was found guilty. The oath functioned to instill religious fear, and to make it a responsibility of a kin group to make the judgement more binding.

Thus courts presided over by clan elders established guilt or innocence by customary law and the wrongs were redressed. There was no legal force such as a police or prison

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system to enforce judgements but the sanction of the leaders and members of the community applied social pressure to act as both a preventive of unsanctioned behavior and to enforce the rulings of the court.

Close interpersonal relationships resulted from the participation of mutual aid and cooperative work between clan members. Gifts, particularly food, would be divided equally among themselves. The rich distributed cattle among impoverished families. There was a repulsion toward the mercenary exploitation of fellow clan members. Thus a smith would sell his products to outsiders but would give these products to clan members. Fellow clan members were never hired for a wage as help would be expected of them. Hired workers were from some distant clans or were non-Buryats. This close interrelationship between clan members resulted in social solidarity of the Buryat clan mode of life.

Buryat Class System

A class system implies a theoretical arrangement of people within a given society into horizontally stratified groups representing sub-cultures having certain privileges, duties, obligations, opportunities etc. which may be manifested in such ways as differences in dress behavior, beliefs, speech, etc.

An examination of the earliest historical data concerning Buryat society discloses little social and economic stratification. However, there were leaders of the various social units in the clan organization and these leaders maintained political, social and economic control over the members of the group. Thus, early Buryat society can be classified as consisting of two classes: the upper class (the leaders) and the lower class (the rest of the members of the group). In addition to these classes, there were minor specialist classes, the shamans and the smiths and later, among the Southern Buryats, the clergy. There also existed a servile class but it was composed of non-Buryats.

Shaman

The role of the shaman within the religious framework is discussed in the subparagraph on religion. Here, those aspects relating to the social status of the shaman will be examined.

Buryat shamans believed that they have descended from an eagle, a son of Tengri (god).

Many shamans are highly conscious of their geneologies. The status of shaman can be acquired through two means. A person may become a shaman automatically by being born into a shamanist descent line, or one might acquire this status from a kinsman or someone outside of his kin group. Buryats believe that the hereditary shaman possesses superior power to the non-hereditary shaman and thus place a higher status upon them.

There are two types of shamans, white (good) and black (evil). The white shamans, with a western Tengri as their patron, preside at births, adoptions, weddings, illnesses and death. The black shamans primarily invoked against illnesses and they dealt with evil spirits or eastern Tengri. Since they had special relationships with evil spirits, they were feared and not honored after death but quickly forgotten. The white shamans, on the other hand, continued to be depended upon, even after death, in the struggle against disease and death.

Shamans are respected and honored but the people fear them. Although the shaman usually acquired his status hereditarily, it is only those with certain psychological predispositions that become shamans, i.e. they are psychologically unstable. Thus individually he is an aberrant, but as an occupational group his status has been stabilized.

They commanded respect and with their status as shaman, they possessed enough

social and political power to control the society during some periods. Their effect as a social-political force was demonstrated in the latter part of the Eighteenth Century when they instigated a revolt against the Russians in Western Baikalia. Thus shamans enjoyed a relatively high social status as a specialized occupational group and although limited in number wielded considerable social and political force.

There was, prior to Russian contact, a special occupational class of smiths. Smiths usually belonged to certain descent groups in which this "mystical power" is inherent. According to Buryat mythology, there are patron saints of smiths in the pantheon. Smiths also belong to two types, the white (good) and black (evil) smiths. The patron of the white smiths is a western Tengri who sent to earth a smith named Bovzintoy. The patron and progeniture of the black smiths is an eastern Tengri. The white smiths were favorable toward men while the black smiths were thought to have been ill-disposed toward people. There was a close relationship between smiths and shamans as this "hereditary" skill not only was limited to smithing but the descendants of smiths could always become shamans.

Metallurgy, among the Buryats seems to have been an ancient art. It was already a highly developed craft by the time of the earliest Western travelers to this region. "Iron and silver products of Buryat workmanship would hardly be inferior to the work of a master from

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Tula or to the European goldsmith". (Erman in Bogdanov, 1926, p. 90). However, with Russian contact and the ensuing development of trade, this craftsmanship soon was discontinued and forgotten.

Smiths had always maintained a rather high social status. They were valued for their knowledge of metallurgy and feared because of their unusual skill. They often appeared as heroes in epics.

Smiths and shamans occupied special although relatively high social positions. Their statuses represented special occupational stratification and these skills were inherited and usually limited to certain lineages.

Slave class

There were subject peoples among the Buryats commonly referred to as kishtym. The Buryats captured these people from the neighboring tribes. Buryats themselves never became slaves of other Buryats. The ranks of the slave class was comprised mostly of Tungusic and Turkic peoples. The Buryats defeated these peoples in war, moved them to the vicinity of their camps, compelled them to do menial work and perform services as well as pay taxes. With the introduction of agriculture, they played an important economic role in doing the menial labor attached to farming.

Pre Russian Period

In the pre-Russian conquest period, prior to the Seventeenth Century, class stratification had become somewhat more distinct than in the early historical period. The upper class consisted of tribal chiefs and clan chiefs and lower classes, the commoners. Riasanovsky mentions an intermediate position occupied by the lower clan chiefs (lineage leaders) and honorable clansmen (Riasanovsky, 1937, p. 216). Although tribal organization seems to be a late historical development, at the time of the Russian conquest tribal chiefs were being elected by members of the tribes. In the Khorì tribe, a tribal chieftain (zangi) exercised authority over the clan leaders (zaisang). Among the Ekhirits, a chief named Chehodai became one of the most outstanding tribal leaders of this period.

Lamas

Lamaism has a relatively short history among the Buryats. The first Lamas came into the southempart of Buryat Mongolia during the first half of the Seventeenth Century. During the Seventeenth Century, the growth of lamaism was limited to those areas bordering on Outer Mongolia. In the first part of the Eighteenth Century, Lamaism received a great impetus when 105 lamas arrived from Tibet. Lamaism never had unrestrained growth since the Tsarist government imposed restrictions upon it. In 1749, the Buryats were limited to 150 registered

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lamas. In 1846, there were thirty-four monasteries and one hundred and forty-four smaller temples with 4,509 lama-monks. The limitation of numbers of registered lamas still held, thus the bulk of lamas consisted of non-registered lamas. Registered lamas were exempted from taxation. There were no other restrictions besides taxation imposed on the non-registered lamas. In 1853, after a considerable growth of Lamaism, the Tsarist government limited the Buryats to two hundred and eighty-five lamas.

Lamas, like the shamans and smiths, are a special occupational class. They were limited in number and confined to the southern area. They occupied a high position of social prestige but their social and political powers were curtailed by the Tsarist Government.

Russian Period

Tsarist Russia completed its conquest of the Buryats in the latter half of the Seventeenth Century. They did not, however, abolish the clan organization of the Buryats. On the contrary, they favored this institution since it was easier to deal with the people under the existing structure in which the leadership patterns were already established. The Russian authorities, while adopting the Buryat socio-political organization, nevertheless, began institution changes within this structure. In the beginning, the clan chieftains who were favored by the Tsarist

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officials were given titles of "taisha". The chief taisha became the head of the Yasashnaia Izba (house collecting tribute). Zaisang became the head of a clan office called "mirskaia izba". Thus by adapting the Buryat socio-political organization and by reinforcing it, the fluid class stratification of the pre-Tsarist period became much more distinct.

With Russian contact and colonization came a change in their economy. Agriculture now began to assume an important role in the economy. Not only was there colonization by Russian farmers, but also a gradual proportional increase of agriculture in the total economy of the Buryats. By 1897 about one half of the Buryats were farmers while the other half still remained livestock herders. Occupational classes in the 1897 census are listed in the following table. (Rupen, Zhamtsarano MS).

<u>Occupational Classes</u>	<u>Number</u>	<u>Percent</u>
Livestock herders	145,036	50.2
Farmers	1 35,074	46.8
Fishermen and Hunters	1,645	0.6
Other gainful occupations	233	0.1
Traders, Merchants, etc.	2,298	0.8
Others	4,377	1.5

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Class structure in the Russian period n
be summarized in the following table:

Upper class: Clan aristocrats who
retained leadership in the "inorodtsy"
administration introduced by the Rusi
Middle class: Lower government official
well-to-do herders and rich peasants,
industrial and commercial bourgeoisie
many Lamas and shamans.
Lower class: Commoners -- herders and
farmers.

Soviet Period

Since the Soviet Revolution, there has
been a drastic change in the class structure of
Buryat Mongolia. The existing class structure
was consciously eliminated but this does not
mean that there exists a classless society in
Buryat Mongolia today. Information on the
development of a new class structure is
inadequate, thus at the present time, only
tentative conclusions may be reached.

Buryats comprise less than 50% of the
total population of Buryat Mongolia (mostly
distributed in the rural areas), thus it is
important to consider the Russian population in
the class system of the Soviet controlled
society. During the Tsarist Russian period,
the Buryats and Russians were under separate
administrations but now they are united within
a single administrative structure. Therefore

it is important to note that the Russians dominate the Communist Party membership and control the BMASSR government. The Buryats, however, in all probability, have been culturally assimilated, thus maintain statuses within a single class structure along with the Russians and other ethnic minorities.

Buryats, since the revolution, can be divided into stratified classes by examining a number of contributing elements, i.e., political, economic, occupational and educational. Perhaps most important is the political factor. Without Communist Party membership, or at least sanction of the party, no one can rise far in the political hierarchy. All important governing positions are undoubtedly occupied by party members.

Contingent upon this political factor is education. Without the sanction of the government, the acquisition of education is impossible. Thus, the intelligentsia comprises those who have successfully completed Soviet-controlled educational program. Occupational and economic statuses also depend upon political status. High positions in the government itself, key positions in the economy - industry and agriculture, all the wealth positions, depend upon political status. Thus all these factors are important in the consideration of the stratification within the society.

The upper class, consisting of a limited number of Buryats, is composed of those in

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high governmental positions. The middle class, includes teachers, skilled technicians, and lower governmental positions. The lower class, consisting of the bulk of the Buryats, and many Russians and Ukrainians, includes herders, farmers, workers in industry, hunters and fishermen.

Buryat Dress

The Buryat national dress is a sort of caftan made of dressed sheepskins and is called "dygel". It has a three cornered cut in front at the neck opening which is left open like a sleeve and it comes down and encircles the hands firmly with fur. During the summer, a cloth caftan replaces the sheepskin one. In Trans-Baikalia, due to the influence from the south, a khalat, a type of robe, is widely used. Among the poor, this is made of cotton while the rich use silk cloth. During the cool weather a "suba", an overcoat with a long collar is worn over the khalat and in cold weather a "dakha", a wide khalat of dressed skins with the fur turned out, is worn. A sash, on which a knife and smoking equipment are attached, is cinched at the waist. Trousers are either made of dressed ram's skins or of plain or padded material. Shirts, of blue cloth, were usually never washed, or discarded until worn out. Footwear consists of the gutal, a type of boot. A round gray hat with a small brim and red tassel on top is worn by both men and women. Women's clothing differs from the male in that it is usually ornamented and embroidered.

Men usually cut their hair short, but some wear short braids. The Lamas shave their heads. Unmarried girls traditionally adorned their heads with a hoop head dress decorated with coral and silver while married women braid theirs in two braids, often joining these with metal rings, the

end of the braids wrapped with velvet and decorated with coral and silver hanging down over the breast. The women also wear bracelets of silver or brass.

Today, more and more Buryats have adopted western clothing. This is true especially in and near the cities where the influences of westernization have been the strongest. In the rural area, however, the old type of dress is probably still widely used.

Buryat Housing

The type of living quarters, varying according to place and time, indicates a great deal about the particular group of Buryats under consideration, and is a sociological factor of the first order of importance. Type of dwelling correlates closely with extent of nomadism and degree of acculturation.

Felt yurts, joined with greater numbers of livestock, more nomadic moves over greater distances, less agriculture, greater influence of Lamaism, and more widespread use of the traditional Mongolian language, to distinguish the Transbaikal from the Irkutsk Buryats. Epitomizing all these factors are the Buryat group located farthest to the East, that of the Aga Steppe (south of the city of Chita). These comprised the most "typically Mongolian" of the Buryats; they were closely related, culturally, to the Khalkhas of Outer Mongolia.

Irkutsk Buryats, those of Lake Baikal, lived in wooden yurts, engaged in more agriculture, were shamanist or even Orthodox in religion, and often employed Russian as their language. The Irkutsk Buryats early adopted the Russian izba or wooden house as winter dwelling, retaining their traditional wooden yurt for summer. The progression, or retrogression, from Russian house to felt yurt

went roughly from west to east, culminating the exclusively felt yurt dwellers of eastern Buryatia, those of the Aga Steppe.

The fact of greater mobility, related to felt dwellings and limited pursuit of agriculture enabled the Transbaikalian Buryats to move before the advancing Russians and retain a greater part of their traditional culture than the more settled Irkutsk Buryats, who tended to be overrun and overwhelmed by the Russians. Mobility and extensive livestock raising persisted among the Aga Buryats longer than among any other Buryat group, and their settlement on collective farms in the 1930's was the last step in Russian subjection of these peoples.

Buryat Religion

Three religions were found in the land of the Buryats: Shamanism, Buddhism, and Russian Orthodox Christianity. The order in which they are enumerated here is a historical one, and would be reversed if the principle of their numerical proportion and importance were applied.

Shamanism is the most ancient and, if we may say so, the original religion of both the Buryats and the other minorities, namely Tungus (Evenki) and Turks (Soyots, Karagas). The essence of shamanism is the belief in numerous gods and spirits and all sorts of supernatural beings both benign and vicious. Buryat shamanism is better known than that of the Tungus or Karagas (or Soyot), but in principle it is more or less the same. The Buryat shamanists believe that there is a supreme god whose name is Esege Malahn Tengri, i. e., Father Bald-headed Heaven. He is the king of the gods. The total number of gods is 99. Of them 55 are good and 44 are evil. These gods are responsible for the welfare of people. They can make them rich or poor, healthy or sick. Therefore, they are offered sacrifices in shape of cattle or sheep. To make a god friendly, sacrifices had to be offered.

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Numerous minor deities rather resembled the Antique heroes than gods, e. g. such heroes as Hercules, Prometheus, etc. And finally there were numerous minor evil spirits. Some of them specialized in causing children to die, others brought diseases to adult people. Most of them were called Ada. To repel an Ada (pronounced Ah-dah) it was necessary to bring a shaman and allow him to perform shamanist services. To keep an Ada from killing a child a wing of an owl was attached to the head end of of the cradle of the infant. Owls supposedly repelled Adas, because they see at night. The Adas were afraid of the amber eyes of an owl seeing everything.

Despite its primitivity, the shamanism of the Buryats was rather complicated and reflected a social organization somewhat higher than the primitive tribal society. Some of the gods were called Khan, i. e., king. Such khans, i. e., king were Khan Guzhir Tengri or Khyurmusta Tengri. Other gods were taijis, i. e., princes, or noyo i. e., noblemen. Some "kings" had heavenly offices, Khyurmusta, in whose office records of all the virtues and sins of people are kept. In that office numerous scribes were occupied.

There were also numerous "lords of places", i. e., spirits of waters, rivers, lakes, trees, woods, and places. These "lords" were called ejen.

The gods, e. g., Khan Khyurmusta or Khan Guzhir Tengri were eternal. There are no legends about how they originated. But spirits, such as Ada originally were souls of dead people. People murdered or those who had died an unnatural death, e. g., suicides, became evil spirits. They attempted to kill children and adult people, caused diseases, death, and all sorts of disaster. Especially vicious old spinsters who had an unhappy life easily became such spirits.

A person had three souls. One of them was the life spirit. The other was the spiritual double of the person concerned, and the third soul was the migrating one, i. e., the soul which could enter other bodies and be reborn as another person. It is beyond doubt that these three souls resulted from Buddhist influence, i. e., the Buddhist theory about three bodies: the physical body, the transcendental body, and the existential body. In this connection it should be pointed out that shamanism betrays even Christian influence. Thus, the legend about the records of sins and virtues is a Christian legend about the book kept in the Heavenly Kingdom in which all deeds of people are recorded.

Shamanism was, to speak correctly, more than a religion. It is an ideology. It comprises, besides beliefs in gods and spirits and their worship, also cosmogony, i. e., ideas about the origin of the world, the origin of diseases and the methods to cure them, i. e., sort of primitive

medicine or quackery.

The shaman was not only a priest but a sorcerer and medicine man. There were male and female shamans. Males were called böö' (pronounce öö like oe in toe) and females were udagan or odyogon. A person became a shaman or shamaness through training by an older shaman or shamaness. To become a shaman one had to possess the so-called utkha, i. e., shamanist tradition. The latter was transmitted by one shaman to another one through generation. It had to be inborn. Such people possessing utkha were usually abnormal persons. They were either epileptics or highly nervous and hysterical people. As a matter of fact arctic hysteria is widespread among the Buryats. They become easily excited and can enter a sort of trance on the most unimportant occasions.

After a training of several years a shaman could perform. He was invited to expel evil spirits from a sick person or to bring back the stray soul of a person. As a matter of fact, souls allegedly came out during the sleep of a person and went various places. Evil spirits might catch them. In this case the soul did not return and the person concerned died. Then the shaman rushed in and tried to bring the soul back. Sometimes the shaman was successful, because the person in question was not really dead but only fainted or fell in a sort of lethargic sleep.

A shaman had particular garments: a head gear made of an iron circle with iron antlers of a deer, a garment covered with snakes made of cloth, and a drum. The Western Buryat shamans did not use drums but two sticks with handles shaped like horses heads. These sticks were called Horibo. Both the sticks and the drum were used as vehicles by the shaman, i. e., the soul of a shaman who fell in a trance rode those sticks or sat on the drum and flew into the land of the spirits. Sometimes the soul of the shaman had to climb high mountains in order to arrive at the land of gods. For this purpose the shaman had a necklace of bear nails. Iron nails (claws) were also fixed on his garment.

When the Russians first met the Buryats in the middle of the Seventeenth Century, most of the Buryats were shamanists. The word shaman is not Buryat, however, but Tungus. The Russians learned about the Buryats through Tunguses.

Shamanism was rapidly replaced by other religions, namely by Christianity and Buddhism. However, in some parts of the Buryat country there were still shamans as late as in the 1930's. These parts are the island of Ol'khon in Lake Baikal, the area populated by the Ekhirit Buryats, and the Alar area, all of them in western Buryat-Mongolia. Besides, there were shamans in the Aga district in Eastern Buryat-Mongolia, particularly in the area called Khara Shibir. Shamanism

was considered as a dying religion. Therefore, antireligious Soviet propaganda did not pay much attention to it while Russian Orthodoxy and Buddhism were severely persecuted and their temples closed. This resulted in a sort of shamanist revival in the 1930's. When the Soviets noticed this they started persecutions among the shamans but this resulted in an uprising on the island of Ol'khon in 1930-31. The revolt was led by shamans. It was quelled by the Soviets. Ever since, one heard nothing of shamanism. If it exists it is an underground religion. In the 1930's there were hardly more than 10,000 shamanists in all Buryat Mongolia.

Buddhism is relatively young in the Buryat country. It spread there from Outer Mongolia during and after the Seventeenth Century. In essence it was the same brand of Buddhism as in Outer Mongolia, namely Lamaism. Its doctrines and organization of the church were the same as in Outer Mongolia with only a few exceptions. Therefore I shall not discuss here the Buddhist-Lamaist dogmas but only point out the differences between Buryat and Mongolian Lamaism. [cf Subparagraph 1k, "Religion", in Outer Mongolian Handbook.]

First of all, the Buryats never had khutuktus or the so-called "Living Buddhas", i. e., supposed reincarnations or rebirths of Buddhist saints. While in Outer Mongolia the head of the Lamaist church was Jebtsun Damba Khutuktu, the

lleged reincarnation of Holy Tarantha, who was reborn each time the old Jebtsun Damba died, the Buryat church was headed by a Pundit Khambo lama elected by the clergy and confirmed by the Russian Tsarist authorities.

Second, all the Buryat lamas lived in monasteries, while in Outer Mongolia many lamas lived at their homes. The Buryat lamas were also much better educated. All of them knew Tibetan very well and were absolutely literate as far as the Mongolian literary language was concerned, while many Outer Mongolian lamas did not know at all how to read. The Buryat lamas abided strictly by the rules of celibacy, while the Outer Mongolian lamas were rather lax about it. Finally, there were no nuns among the Buryats, or the so-called habgantsas, i. e., old women who shaved their heads and took the vow of abstinence. Otherwise the Buryat Lamaism was the same as that of Outer Mongolia.

Buddhism came to Buryatia sometime in the Seventeenth Century. When the first Russians (Cossacks) came to the country of the Buryats in the middle of the Seventeenth Century, they sometimes met lamas who were holding their Lamaist services in large felt tents like temples. But those lamas were very few. Buddhism-Lamaism started its important expansion in the Eighteenth Century, i. e., when the area was already under Russian domination. In 1712 a group of 150 lamas came from Tibet to the Buryat country. In 1721

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the lama of the suburban Selenga clan, **Zhin Akhaldaev** made a trip to Urga (now Ulan Ba in Outer Mongolia) and there he studied Buddhist theories at the monastery of the **Jebtsun Dar Khutuktu**. In 1724 the lama **Damba Darzha Zayaev** went to Tibet and studied there. This began Lamaist theoretical training among the Buryats.

In 1741 by decree of the Russian Empress Elizabeth, the position of supreme head of Lamaist church of Transbaikalia, the so-called **Khambo Lama**, was established. The first **Khambo Lama** was the aforementioned **Akhaldaev**. He was succeeded after his death by **Zayaev**.

The first felt temple was built in 1741 on the river Chikoi. The first wooden temple was erected in 1780. The number of monasteries, the so-called **Datsans**, grew steadily. In 1786 the **Tugnui** monastery was transferred to a new place, in 1775 the **Khudun** monastery was built. Then followed the **Ana Datsan** in 1795, the **Aga Datsan** in 1811, and the **Tsugol Datsan** in 1821. The total number of the **datsans**, i. e., monasteries, was nineteen in 1822 with 2532 lamas, and in 1846 there were thirty-four **datsans** with 4509 lamas. This was a very high number as there was one lama for every fourteen or fifteen persons of the total male population. Thus, the situation in the Buryat country was somewhat similar to that in

Outer Mongolia where the number of lamas mounted to about one-fourth of the entire male population.

This number was far too high. Therefore, the Tsarist government issued a "Regulation concerning the Lamaist Clergy in Eastern Siberia" (May 15 1853). According to this regulation the number of datsans was definitely established as thirty-four. The job of one Khambo Lama was acknowledged and 216 regular lamas were permitted with thirty-four novices or the so-called bandi. Arbitrary construction of new monasteries was forbidden. All the surplus lamas had to pay taxes while the regular lamas were freed from taxes. This regulation was carried out only in part. While almost no new datsans were constructed and their number totalled thirty-seven in 1917, the number of lamas steadily increased. There are no definite figures available for the years 1917-1920, but according to the Buryat scholar B. B. Baradin there were about 5000 lamas in all of Buryatia. According to Poppe's observations made in 1928 and 1932, the lamas totalled about 10,000. This made 4% of the entire Buryat population (male and female) or about 8% of the male population. Thus, the Buryat clergy was percentage-wise half as numerous as that of Outer Mongolia.

Lamaism became the most important religion among the Buryats despite the fact that it was introduced only in the Seventeenth Century. Out of 240,000 or 250,000 Buryats (the total number in 1930) only 10,000 were shamanists and about

50,000 were Russian Orthodox. This leaves about 190,000 Lamaists or 76 % of the entire population.

The Datsans were not only religious but also cultural and educational centers. The first Tsanit faculty (i. e. , philosophical faculty) was established at the Tsugol datsan in 1845. Later this faculty was established also within the datsans Khambyn, Atsagat, Ana, Egetu. Some datsans had their own printing shops and published religious and philosophical books in Written Mongolian and Tibetan. Those prints were xylographs.

There were outstanding personalities among the Buryat lamas, e. g. , Lama Galsang Gomboev who became a professor at the University of Kazan in the middle of the Nineteenth Century. He became famous thanks to his scholarly activities. He published the Mongolian history "Altan Tobchi", a work on the ancient beliefs of the Mongols, and other works. Another outstanding person was the Khambo Lama Iroltuev, a great educator and teacher. Another outstanding Khambo Lama was Agvan Dorzhiev. He became the teacher of the thirteenth Dalai Lama and played an important role in the relations of Tsarist Russia with Tibet. After the Soviet revolution Agvan Dorzhiev became plenipotentiary Tibetan minister to Moscow. He played also an outstanding role as an educator and as the founder of the first and only monastic school among the Kalmycks, the so-called

Choir. Agvan Dorzhiev did very much to disseminate literacy among the Western Buryats. He compiled a special alphabet for them which was based on the Mongolian and Oirat (Kalmyck) alphabets, and published a number of books, e. g., excerpts from the historic work "Köke Debter" (Blue Book).

The Soviets persecuted the Lamaist church from the very first. In 1930 the Datsan of Gusinoe Ozero (Goose Lake) was closed and the buildings were occupied by the offices of Selenga Aimak. The place was renamed and became known as Tamcha. The Aga Datsan was closed in 1933. Its buildings were destroyed and used as building material by the surrounding collective farms. The library was completely destroyed and precious ancient prints and manuscripts were taken as old paper to a paper mill. The images and Buddha statues were taken as scrap metal. The Tsugol Datsan suffered the same fate. It was completely destroyed and even the precious Buddha statue made of sandal wood and dating from the Eighth Century, which had been brought from Nepal in the Nineteenth Century, was burnt. In one word, there were no monasteries left in 1935. All of them were either destroyed or converted into granaries or barns. The lamas were arrested and sent to concentration camps in the Turukhansk area on the shore of the Arctic Sea not very far from the embouchure of the Yenisei River.

Many lamas, especially the higher ones,

were shot. Khambo Lama Agvan Dorzhiev was arrested in 1937 at the time of the great purge and sent to jail in Ulan Ude (Verkhneudinsk) despite his advanced age (almost 85). The Tibetan Embassy had been closed a few years before. Thus he no longer enjoyed diplomatic immunity.

It is not known whether there are any monasteries or temples and lamas in the country of the Buryats. It may be assumed that in connection with the liberalization of the attitude of the Soviets towards the Russian Orthodox and the Moslem Church, one or several minor lamaseries must have been reopened in recent years. However, there are no documents demonstrating and proving this.

The Russian Orthodox Church penetrated into the Buryat area in the Seventeenth Century. At the end of the Seventeenth Century was the monastery of Saint Innocent (Innokentii) founded near Irkutsk and this greatly influenced the spread of Christianity among Buryats of the Irkutsk region. As a matter of fact, that monastery was responsible for the Christianization of a large portion of the Western Buryats. There were at least 50,000 Russian Orthodox Buryats. Most of them were baptized under Governor Sinel'nikov in the Nineteenth Century. There were numerous Russian churches and the famous Selenginsk Monastery on the Selenga river which was founded in the Eighteenth Century. However, there were very few

Christians among the Buryats in the Selenga valley and in East Buryatia in general, because the competition of the Buddhist church was too strong and the latter had a far greater appeal to the Buryats. Therefore, the Russian Orthodox religion was mainly the religion of the Russians in Buryatia.

For the same reason, the Protestant Church which had established itself in the Selenga valley in the early Nineteenth Century, had never had any success. There were British missionaries (Stallybrass and others) who preached Protestant Christianity to the Buryats of the Selenga valley and worked there on behalf of the British Bible Society, but they were not successful.

In conclusion, it should be pointed out that a large portion of the Russians in Transbaikalia are sectarians, the so-called Semeiskie. Their centers are the villages Bol'shoi and Malyi Kunalei (The Great and Little Kunalei) in Transbaikalia. They do not have priests nor churches and they do not recognize the Bible and New Testament in their new, revised version. They do not mingle with Orthodox Russians and do not let them enter their houses, nor do they let them use their dishes and cups. For reasons of hospitality they have special houses for strangers and special dishes and cups. The Semeiskie were very superstitious and they did not permit their children to be inoculated with smallpox because inoculations and vaccinations

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were considered as sins. They greatly oppose
collectivization. Therefore, many of them
were shot or put in concentration camps.

BURYAT-MONGOLIAN SUPPLEMENT

Languages of the Buryat-Mongolian Republic

The two major languages of the BMASSR are the Buryat-Mongolian language (in various dialects), spoken by about 250,000 people, or 50% of the population, and the Russian language, also spoken by about 250,000 people, the remaining 50% of the inhabitants. Buryat is spoken both in the cities and in the country, while Russian is spoken chiefly in the cities, though there are numerous Russian settlements and collective farms where Russian is the main language.

The two minor languages of Buryatia, which are fast disappearing and thus play little role in the picture, are Tungus (Evenki), spoken by about 2,000 people, and Tuvinian (Soyot), spoken by about 3,000 people. These nomadic tribes dwell in the densely forested areas of the country, and pursue hunting.

As almost everyone, except a few old people or children, speaks or understands Russian, one who knows Russian can travel throughout the Buryat-Mongolian Republic with little difficulty. As far as is known, other foreign languages, such as English or German, are very seldom studied or known.

The Buryat language, being a member of the Mongolian family of languages, is closely related to the Khalkha language spoken in the Mongolian People's Republic to the south. The chief differences between Buryat and Khalkha are phonetic and grammatical. Buryat uses h where Khalkha

has s, e.g., Buryat hara, Khalkha sara "moon" the sounds ts and ch of Khalkha correspond to s and sh in Buryat, e.g., Buryat sagan, Khalkha tsagan "white", Buryat shuluun, Khalkha chuluu "stone." In addition, the verb in the Buryat language takes personal endings to indicate the one performing the action, which is not denoted in Khalkha, e.g., Buryat yavanap "I go", Khalkha (bi) yavana, Buryat yavanash "you go", Khalkha (chi) yavana.

The Buryat language itself is divided into three major dialects, the classification being based on the pronunciation of consonants in certain key words. These are the Selenga dialect, spoken in the valley of the Selenga river between Ulan Ude and the frontier of the MPR; Eastern Buryat, spoken east of Lake Baikal; and Western Buryat, spoken west of Lake Baikal. The Selenga dialect represents a transition from Khalkha Mongolian, and is thus midway between Khalkha and Buryat. The Buryat written language is based on the Eastern dialect, and is gradually displacing the local sub-dialects. These various dialects are all mutually intelligible.

Eastern and Western Buryat (the former with slightly more than 100,000 speakers, the latter with somewhat less) are divided into sub-dialects named after various tribes or locations. These dialects of Eastern Buryat are the Aga (spoken in the Aga district on the Manchurian frontier), the Khori (spoken in the eastern part

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of Buryatia), and the Barguzin (spoken in the Barguzin district on the eastern shore of Lake Baikal). The dialects of Western Buryat (which somewhat overflow the borders of the Republic) are the Ekhirit-Bulgat (spoken on the western shore of Lake Baikal in the Ekhirit district), the Bokhan dialect (spoken in the Bokhan district), the Alar (spoken in the Alar district), the Tunka (spoken in the Tunka district), and Nizhneudinsk (spoken near the city of Nizhneudinsk). The Selenga dialect has the Tsongol and Sartul sub-dialects.

Since the 18th century, the Buryats have used the standard Mongolian alphabet and literary language common to all Mongols. In 1931, the Soviets introduced a Roman alphabet based on Latin letters, which was replaced in 1937 by a Cyrillic alphabet based on Russian letters. This made the existing Buryat literature incomprehensible to young Buryats, and also aided the introduction of Russian terms into the Buryat language, such as "student, airplane, tank, doctor, revolution, proletariat," and so on. In the late 1920's and 1930's the Buryats tried to establish their own terminology, but the Soviets accused them of nationalism because they opposed a Russification of the script and language. Among those shot and sent to concentration camps were Professor B. Baradiin, Togmitov, Batotsyrenov, Bolodon, and others.

Buryat Culture

In general, the forms of artistic and literary endeavor by which the Buryat Mongols seek to express their national consciousness are the same as those of the Mongols in Outer Mongolia. Hence, only those features differing from the general Mongolian pattern, or otherwise worthy of attention, are discussed at this point. [See Outer Mongolian Handbook, prepared at the University of Washington, 1956].

Literature and Folklore

Buryat literature is very similar to that of the Mongols of Outer Mongolia, differing only in that it reflects local peculiarities in social life which are a bit different from those of Outer Mongolia. Buryat folklore in general is more archaic and conservative; consequently it is even more "Mongolian" than that of the Mongols of Outer Mongolia. Oral folk-poetry, is better developed in Buryatia. The Buryats experienced Western (i. e., Russian) influence sooner, which also resulted in the creation of types of literature foreign to the other Mongols.

Oral literature and folklore comprises shamanist poetry, tales, epic sagas, songs, riddles and proverbs. Buryat folklore is outstanding among all the Mongolian peoples, but is very conservative. Thus what is found among the Buryats existed among the other

Mongols long ago, but has since disappeared.

Shamanist incantations and hymns to shamanist gods and spirits were often known and sung among the western Buryats as late as the 1930's, but have disappeared as a result of the persecution of all religious activities. The last organized protest of shamanist Buryats against religious restrictions occurred in 1930 when a revolt led by shamans took place on Ol'khon Island in Lake Baikal. It was crushed, and the insurgent shamans shot. Shamanist hymns are long songs in honor of spirits, and deal with their lives and deeds. One group of spirits is the Ongons, who are the spirits of persons who have usually died a violent or unnatural death. The hymn of the thirteen northern princes is very well-known, and deals with some hunters who were drowned in Lake Baikal. Their souls became the lords of Ol'khon Island. Their pictures on a piece of cloth with thirteen figures (twelve men and a dog) could be seen in many yurts. Old manuscripts of the mid-18th century contain shamanist songs and hymns to gods such as Khan Atah, Khan Gujir Tengri, Khan Bohmoh Tengri, etc.

Epic literature is the most outstanding feature of Buryat folklore. These epic sagas are called ontokho by the western Buryats, and Iliger by the eastern Buryats. Some of these sagas are 20,000 lines long, all in verse. The most beautiful ones are found among the

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Ekhirits, Bulagats, and Oka Buryats in the west
part of Buryatia, but the Khori and other eastern
Buryats also have epic sagas. The best-known
sagas are the Geser saga of the western Buryats,
the western saga of Alamji Mergen and the Kho
saga of Lodoi Mergen.

The Geser saga is well-known to all
Mongols, although the basic idea may have been
borrowed from Tibet. The Buryat Geser saga
is much more elaborate because it is entirely in
prose. There are two Buryat versions, one
written down by the Buryat Khangalov (translated
into Russian by Potanin) and the other written
down by the famous Buryat scholar, Zhamtsara.
The latter version is a sort of trilogy containing
in all more than 20,000 verses. The first part
of 10,000 verses is titled Abai Geser, and the
other two parts deal with Geser's sons. The
saga deals with the life and adventures of Geser
who fights many enemies, demons and the
many-headed villain of Mongolian epics, the
Mangus.

Another interesting saga is that of Alamji
Mergen. When Alamji is killed by an evil old
woman, his sister puts on his garments and
travels to a distant country, where, disguised
as her brother, she participates in heroic
competitions, winning three beautiful girls,
the daughters of the Heavenly King. She brings
them home to revive her brother. After the evil
old woman is finally killed, the brother marries
the three girls, and the sister marries a hand-
some young prince.

The eastern saga of Lodoi Mergen revolves around a hero whose wife plots to kill him and hides a Mangus, her lover, in the house. When Lodoi Mergen comes home, she gets him drunk, and the Mangus kills him, but Lodoi's faithful horse brings a beautiful girl who revives him. Lodoi takes revenge by killing his unfaithful wife and the Mangus, and marries the girl who revived him.

The epics are all poetic works, and are characterized by initial alliteration of lines and the presence of a certain number of syllables, between five and eight. The language is rich and beautiful. A statement is often repeated in different ways, and this "parallelism" or "elegant variation" is very characteristic of these epics and songs.

In the 1930's the epics were declared to foment nationalistic and religious ideas, and were persecuted and banned. Around 1935, however, when Stalin recognized the importance of the Russian epic, "The Lay of Prince Igor," the epic sagas of various Republics had a brief revival, but in 1949-1950, the Geser epic was declared to be a poem depicting the cruel deeds of Chinggis Khan. After Stalin's death, the situation changed again.

Buryat riddles and proverbs reflect nomad life and social conditions, and many deal with household objects, animals and so on. These maxims or aphorisms contain such truisms as

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"You must know, children, that happiness will come in 99 days but misery and unhappiness will be here tomorrow," or "The highest wealth is intellect, medium wealth is good health, but the lowest wealth is money and cattle." There are also many traditional sayings uttered on such ceremonious occasions as weddings, funerals, etc.

The beginnings of writing go back to the mid-17th century, although no literature from that period survives. There are many old legends dealing with the origin and ancestors of the Buryats, however. One such is the story of the Shamaness Asuikhan. One time on the shore of Lake Baikal she saw a bull come out of the water. The sight of the bull made her pregnant, and she bore two sons, named Ekhirit, the ancestor of the Ekhirit tribe, and Bulagat, the ancestor of the Bulagat tribe.

Another story tells the origin of the eleven clans of the Khorï Buryats. One day Khoridai Mergen saw some swans who transformed themselves into beautiful girls and swam in Lake Baikal. He stole the feather garments of one of them, thus making her remain. After they were married, she bore him eleven sons, ancestors of the eleven Khorï clans. Later she wanted to put her garments on once more and asked him to return them. He gave them to her, but when she tried to fly away, he seized her feet. As he had just been

working in the smithy, his hands were black from the ashes. This is why swans have black feet, says the story.

Historical literature is the most outstanding feature of Buryat written records. The first written history is that of Lubsanov, compiled in 1814 from Russian sources. It was followed by a history of the Tsongul Buryats, written in 1830 by the Lama Erkhetev. Another early work by Dorji Tarbaev was completed in 1839. The most outstanding works are those by Tugultur Toboev (1863), Vandan Yumsunov (1875) and Shirab Nimbu Khobituev (1887). All these works begin with legendary times, and discuss the ancestors of the various Buryat clans, but they also give excellent descriptions of ancient customs and the old ways of life, the spread of Buddhism, shamanistic practices, and the administration of olden times. The first two of these last-mentioned works were published in 1937 by Professor N. Poppe, but most of the historical records remain as unique manuscripts in Oriental manuscript collections in the Soviet Union and Buryatia.

Modern Buryat Literature

Modern Buryat literature begins with the 20th century, and the names of Agvan Dorjiev and Badzar Baradiin rank high in it. The former, a Khamba Lama, is the author of an historical work and creator of a new Buryat

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alphabet based on the Russian one. The latter was an outstanding writer and scholar, who directed the Buryat Research Institute in Ulan Ude. As they did not comply with the Communist program in their cultural and literary activities, they were arrested in 1937 and perished.

Buryat dramatic literature was founded by Baradiin, who wrote with D. R. Namjilon a play called "The Former Lords," an historical drama about Tugultur Toboev, the Aga Buryat leader. An outstanding poet was Peter Dambinov, who wrote under the name of Solbone Tuya. His most famous work is a collection of verses called "The Flower Steppe. In his poetry he expressed sad feelings about the intrusion of agriculture and industrialization into Buryatia, which "gnawed at the chest of the giant," by digging up the steppe with tractors and bulldozers, or cutting roads through mountains. He was accused of promoting hostile styles of literature, and even of being a Japanese spy, and shot in 1937.

Very little writing by member of the Buryat intelligentsia has survived the purges. The only writer who escaped destruction is Khutsa Namsaraev. Born in 1889 to a poor family in the Kizhinga Aimak, he learned to read and write from a neighbor. After the Revolution he joined the Communist Party. At

first, he wrote love stories and novels, but in the 1930's he switched to plays and anti-religious stories. Some of his outstanding works are "It Happened So," "Once at Night," "The Beam of Victory", and many others.

Other writers and poets are Babasan Abiduev (who died in 1939), a poet and translator of Russian poetry and literature; Tumunov, a playwright; the poets Badzaron, Nimbuev and Madason. Tseden Galsanov (born in 1917), is the most outstanding present-day Buryat poet. He made a wonderful edition of the Geser epic, which was however never published. Galsanov was expelled from his position as chairman of the Union of Buryat Writers, but is still active in poetry, having saved himself by publishing patriotic verses and Stalinist-Leninist poems. Zhamtsao Tumunov, the playwright, wrote the popular play "Sesegma," and the poems "Sukhe Bator," and "A Mother's Blessing". After the war he published a collection of poems titled "Morning on the Shore of Lake Baikal," and a novel dealing with collectivization, "Awakening of the Steppe."

In general, Buryat writers have to comply with Communist requirements and overemphasize the benign role of Lenin, Stalin and other Communist leaders. Most conspicuous in the newer literature is the emphasis on the great friendship between the Buryats and the Russians, Buryat love for their socialist country, the

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voluntary submission of Buryats to Russian rule which brought them only good, and the outstanding role of Russians in Buryat history. These things scarcely correspond to the historical facts. [cf. Historical Setting].

Buryat Music

The nature of Buryat music differs little from the music sung by all Mongols; only the individual songs may be somewhat different. Popular songs are mostly lyric, although in former days there were also numerous religious songs. In recent years, anti-religious songs have appeared. The Buryats also hold "song-fests" or song competitions with their guests, and the person who outsings the other in making up verses, wins.

Like all Mongolian songs, these are divided into stanzas, of four lines beginning with the same syllable. The basic idea of theme of the first stanza is repeated and elaborated in the parallel structure of the following stanzas. The onslaught of Soviet-style songs, however, is gradually spelling the doom of the traditional-type song.

Buryat Script and Literacy

Like all Mongols, the Buryats used to employ the standard Mongolian literary language

in their books and periodicals. After Buryatia became a Union republic in 1923, efforts were made to reform the traditional Mongolian vertical script by replacing it with an alphabet based on Latin letters, and constructed in a scientific manner by linguists. This alphabet, which was introduced in 1931, lasted until 1937, when it was replaced by a similar alphabet based on Russian letters, which has survived to the present day. Literacy under the old script was about 15%, and is now well over 90%.

Efforts to introduce a Russian-type script had been made as far back as the 1900's, but the charge was always levelled against them that they fostered Great Russian chauvinism. An attempt to create an artificial synthesis of the Khalkha and Buryat languages based on the Selenga transitional dialect also failed. Finally, a linguistic commission forced through the adoption of a Russian alphabet, which vastly facilitated the direct absorption of Russian culture and propaganda.

Here too, as is the case in Outer Mongolia, the statement is made that the old alphabet was not suitable for the terms of modern science and technology. While the position is not completely correct, the new script does make the written language much closer to the reality of the spoken language than the old script, which required the use of archaic forms of expression.

Buryat Publications and Public Information

With the exception of the vast body of Buddhist canonical literature available to the Buryats in the traditional literary Mongolian, their own historical chronicles, and some Biblical translations, there were no periodical publications or other printed works in Buryati before the Revolution and establishment of the Soviet regime. The few primers and other school books in Buryat did not suffice to reach more than a few thousand students. Now, the Buryat Republic, being fully incorporated into the administrative and propaganda-dissemination facilities of the Soviet Union, has a panoply of published material: scientific, political, literary, economic and so on.

Among the first Buryat periodicals were the Russian language Buryatievedenie [Buryat Studies], published at Verkhneudinsk (now Ulan-Ude), since 1925, and Zhizhn' Buryatii [Buryat Life] which began in 1924. The Buryat version of the Russian Pravda is called Buryat-Mongol'skaya Pravda [Buryat-Mongolia Pravda] and dates from 1923. In addition to the metropolitan papers there are also many local and district newspapers, and a number of magazines devoted to a variety of subjects, just as in Outer Mongolia.

Publication of books in Buryat or Russian began shortly after the new Republic was founded. The small booklets of the first year soon yielded place to full-size works on many topics.

Now, thousands of copies of books are produced annually.

The political aspects of building culture for the masses have not been neglected either. As in Outer Mongolia, hundreds of clubs and "Red Corners" or "Red yurts" (centers devoted to disseminating political and other information), as well as village reading rooms, have made their appearance in the last thirty years. The growth of telephone, telegraph and postal service has been spectacular, but as the most recent figures are from the 1930's, it can easily be presumed to have surpassed that stage many times. There are at least two radio stations in Ulan-Ude, which broadcast in Buryat and Russian. Much of their programming is no doubt derived from Soviet sources of information.

In general, with regard to the dissemination of public information and propaganda, the situation in Buryat Mongolia may be presumed to be identical with that of other Union Republics which form a constituent part of the Soviet Union itself, and as such integral entities, cannot be differentiated as to content or approach in the ideological sense, though prevailing local conditions made it necessary to adapt information to the consumer.

Buryat Education

The story of the development of a school system in the BMASSR is much like that of Outer Mongolia. Education in the old days was confined to the lamaist schools, which only reached a few thousand pupils. Although the Tsarist government had established three elementary schools in Buryat territory as early as 1824, there were still only twenty elementary schools at the beginning of the 20th century. At the present time, there are more than 200 elementary schools alone, although figures are not available for more recent years.

In general, the types and programs of Buryat schools are the same as those of Outer Mongolia, which in turn are patterned on Soviet models.

As in Outer Mongolia, the history of education shows a continual growth and expansion, with impressive figures of persons taught to read and write (literacy is now over 90%), numbers of buildings built, and the like. Here too, this material achievement must be weighed against the fact that the school system is completely controlled by the government and that party propaganda predominates in the curricula. In short, education may exist, but it is far from free.

Buryat Culture

The growth of a Westernized or Sovietized culture in all fields has been materially aided by the present regime. The indigenous Buryat culture has largely been lost, absorbed or subverted into new channels with the adoption of Occidental modes. This leads to such ludicrous anomalies as the Buryat Mongolian Philharmonic Orchestra playing a Haydn symphony on national instruments. The words of traditional folk songs yield way to propagandistic verses. In the dramatic arts, the old religious drama-festivals have vanished, and in their place arise Soviet-modelled plays on recent political history. The Buryat-Mongolian State Theater was founded in 1932 by Tsedenzhapov, and presents original and translated plays in Buryat. One of the main items of the repertoire is a play about Enkhe Bulad Bator, a Buryat epic hero. Traditional Buryat songs in one voice have been harmonized, and operas have been written. A Buryat production of "Othello" has been especially popular, and even toured the Soviet Union. Western-style fine arts too have received an impetus under Soviet tutelage, which has led to the opening of museums and galleries, along with theaters and the ubiquitous cinemas, which present mostly Russian pictures.

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The Buryat Intelligentsia

The famous "Decembrist" rebellion of Russian nobles against the Tsar had repercussions throughout Siberia when these insurgents were exiled there. By making studies of Buryat social structure, customs and economy, the Buryat epics, culture and national life, they pointed up the value of studying native society. As the young sons of Buryat noble families got to attend Russian schools and Gymnasiums, some became scholars and persons interested in intellectual pursuits, eventually giving rise to an indigenous intelligentsia. Thus, this early contact with Russians had positive results in the cultural sphere. The Buryat scholar, Dorji Banzarov (1822-1855), was one of the first leaders. The most outstanding name is that of Tsyben Zhamtsarano (1880-1940?), who published and collected many works on Buryat literature, folklore and dialects. He worked closely with Russian scholars of Mongolia, and advanced knowledge greatly. A versatile man of wide interests and many capabilities, his political activities espousing the cause of Buryat freedom and awakening led to his downfall. He disappeared in 1937, and is believed to have died not long thereafter. This movement, which reached its height in the 1920's and 1930's was essentially disbanded by the Soviets who rightly feared the usurpation of power by a capable band of thinkers who wanted the best for their country and people.

Conclusions

The Buryat-Mongolian ASSR has, in the last thirty-odd years, been fully incorporated and assimilated into the administrative and cultural framework of the Soviet Union. Thus, many features of the country's economy, politics and sociology blend indistinguishably into the national setup of the other Union Republics, and contribute to the identity of appearance and feelings of kind which Buryats share with Russians and other Soviet citizens. Still, all traces of Buryat consciousness have not been erased, for the Pan-Mongolist movement of the twenties, to give an example, presented a real threat to the Soviet leadership. The continued efforts to obliterate the feeling of "Mongolian-ness" must prove its very existence.

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